{deleted text} shows text that was in HB0272S03 but was deleted in HB0272S04.

inserted text shows text that was not in HB0272S03 but was inserted into HB0272S04.

DISCLAIMER: This document is provided to assist you in your comparison of the two bills. Sometimes this automated comparison will NOT be completely accurate. Therefore, you need to read the actual bills. This automatically generated document could contain inaccuracies caused by: limitations of the compare program; bad input data; or other causes.

Representative Stephen G. Handy proposes the following substitute bill:

#### **ENERGY STORAGE AMENDMENTS**

2022 GENERAL SESSION STATE OF UTAH

Chief Sponsor: Stephen G. Handy

Senate Sponsor:

#### **LONG TITLE**

#### **General Description:**

This bill {amends tax provisions and } creates a pilot grant program related to the purchase of energy storage equipment.

#### **Highlighted Provisions:**

This bill:

- defines terms;
- creates a sales and use tax exemption for the purchase of energy storage equipment;
  - extends the deadline for sales and use tax exemptions for certain electricity
     facilities;
- creates a pilot grant program for the purchase of energy storage assets; and
  - makes technical and conforming changes.

#### **Money Appropriated in this Bill:**

This bill appropriates to the Office of Energy Development - Energy Storage Asset Pilot Grant Program, as a one-time appropriation:

► from the General Fund, <del>{one-time}</del>One-time, \$500,000.

#### **Other Special Clauses:**

{ This bill provides a special effective date.} None

#### **Utah Code Sections Affected:**

#### AMENDS:

**59-12-102**, as last amended by Laws of Utah 2021, Chapters 64, 367, 414 and last amended by Coordination Clause, Laws of Utah 2021, Chapter 367

59-12-104, as last amended by Laws of Utah 2021, Chapters 280 and 367

† 63I-1-279, as last amended by Laws of Utah 2021, Chapter 280

79-6-401, as renumbered and amended by Laws of Utah 2021, Chapter 280

#### **ENACTS**:

**79-6-403**, Utah Code Annotated 1953

Be it enacted by the Legislature of the state of Utah:

Section 1. Section <del>(59-12-102)</del> 63I-1-279 is amended to read:

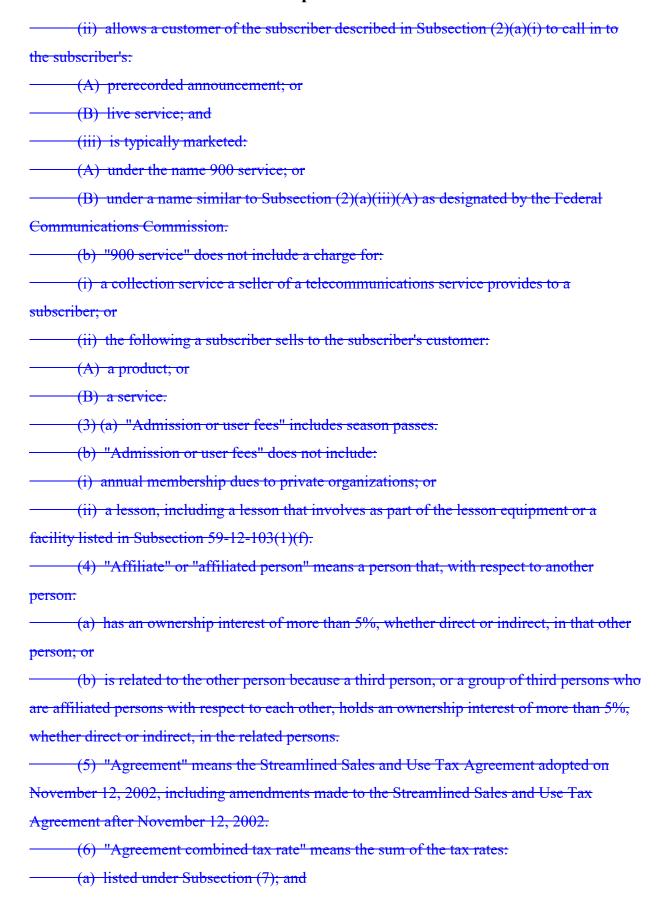
<del>59-12-102. Definitions.</del>

As used in this chapter:

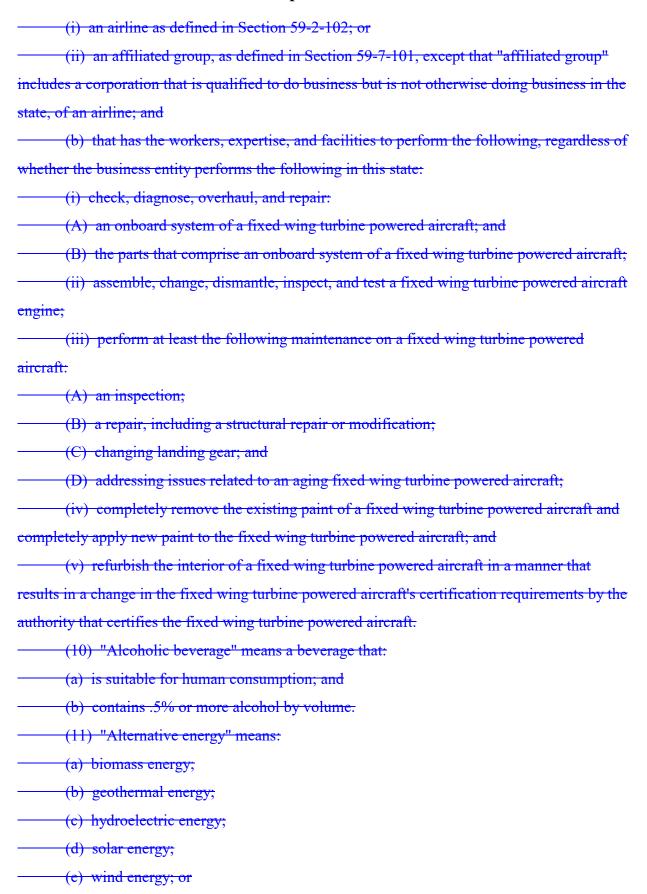
- (1) "800 service" means a telecommunications service that:
- (a) allows a caller to dial a toll-free number without incurring a charge for the call; and
  - (b) is typically marketed:
    - (i) under the name 800 toll-free calling;
- (ii) under the name 855 toll-free calling;
- (iii) under the name 866 toll-free calling;
- (iv) under the name 877 toll-free calling;
- (v) under the name 888 toll-free calling; or
  - (vi) under a name similar to Subsections (1)(b)(i) through (v) as designated by the

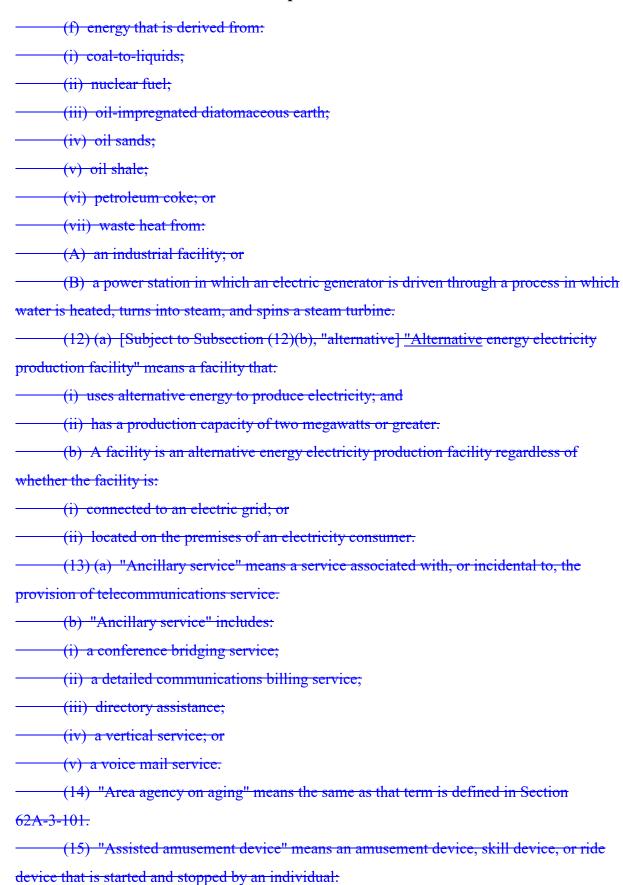
Federal Communications Commission.

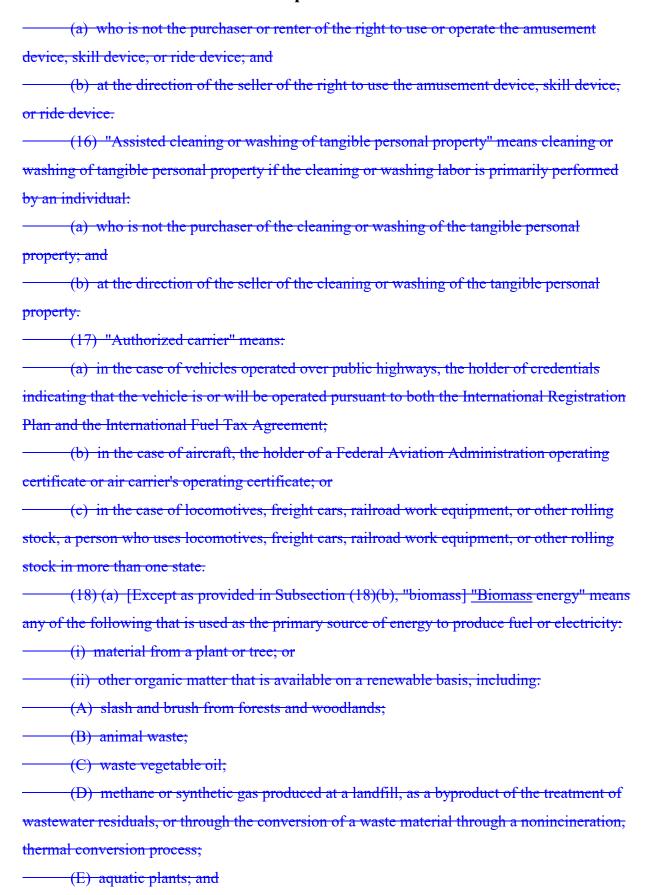
- (2) (a) "900 service" means an inbound toll telecommunications service that:
- (i) a subscriber purchases;



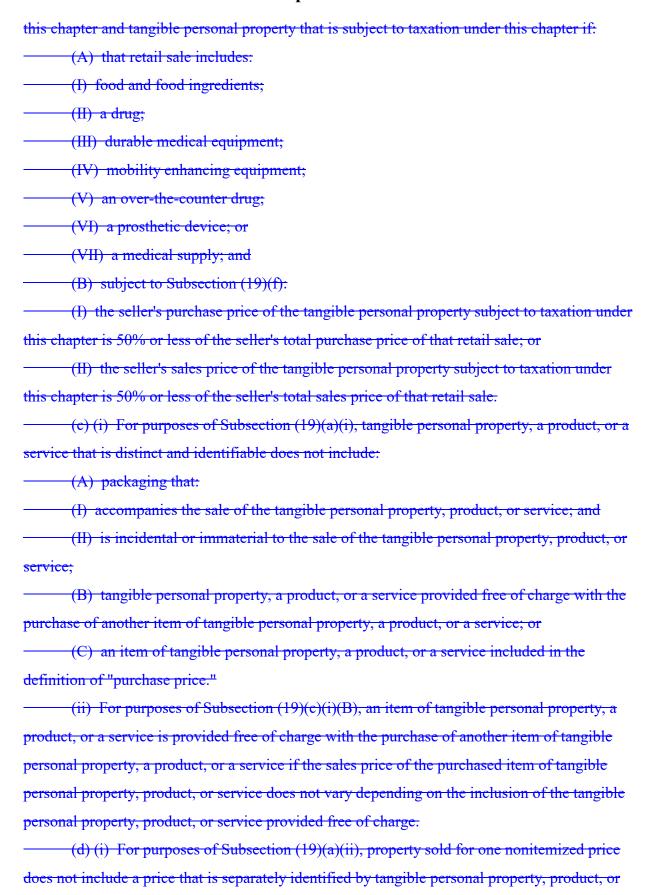
(b) that are imposed within a local taxing jurisdiction. (7) "Agreement sales and use tax" means a tax imposed under: (a) Subsection 59-12-103(2)(a)(i)(A); (b) Subsection 59-12-103(2)(b)(i); (c) Subsection 59-12-103(2)(c)(i); (d) Subsection 59-12-103(2)(d); (e) Subsection 59-12-103(2)(e)(i)(A)(I); (f) Section 59-12-204; (g) Section 59-12-401; (h) Section 59-12-402; (i) Section 59-12-402.1; (j) Section 59-12-703; (k) Section 59-12-802; (1) Section 59-12-804; (m) Section 59-12-1102; (n) Section 59-12-1302; (o) Section 59-12-1402; (p) Section 59-12-1802; (q) Section 59-12-2003; (r) Section 59-12-2103; (s) Section 59-12-2213; (t) Section 59-12-2214; (u) Section 59-12-2215; (v) Section 59-12-2216; (w) Section 59-12-2217; (x) Section 59-12-2218; (y) Section 59-12-2219; or (z) Section 59-12-2220. (8) "Aircraft" means the same as that term is defined in Section 72-10-102. (9) "Aircraft maintenance, repair, and overhaul provider" means a business entity: (a) except for:







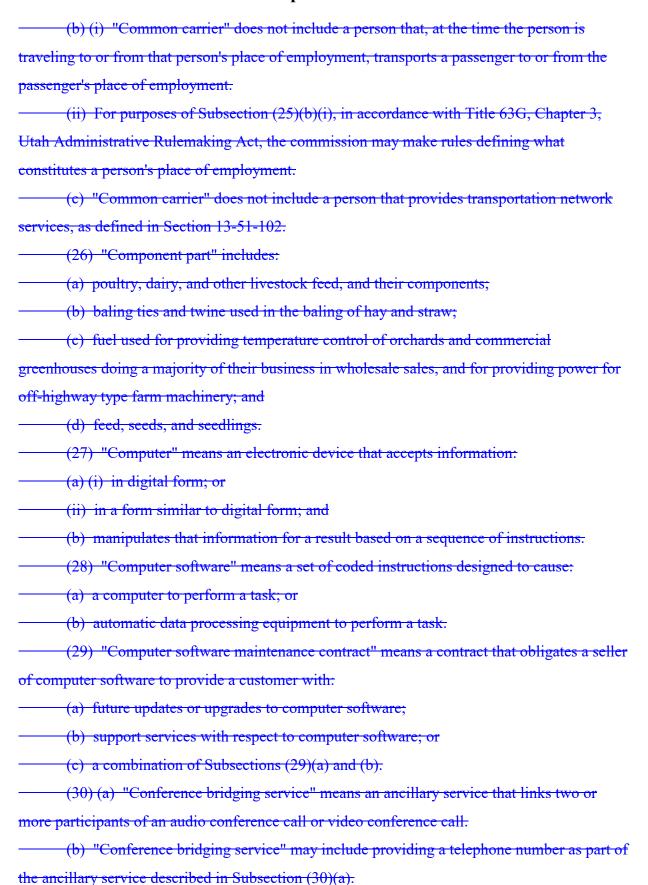
(F) agricultural product	<del>s.</del>
(b) "Biomass energy" d	oes not include:
(i) black liquor; or	
(ii) treated woods.	
(19) (a) "Bundled transa	action" means the sale of two or more items of tangible persona
property, products, or services i	f the tangible personal property, products, or services are:
(i) distinct and identifia	<del>ble; and</del>
(ii) sold for one noniten	nized price.
(b) "Bundled transaction	n" does not include:
(i) the sale of tangible p	personal property if the sales price varies, or is negotiable, on
the basis of the selection by the	purchaser of the items of tangible personal property included in
the transaction;	
(ii) the sale of real prop	<del>erty,</del>
(iii) the sale of services	to real property;
(iv) the retail sale of tar	ngible personal property and a service if:
(A) the tangible persona	<del>al property:</del>
(I) is essential to the use	e of the service; and
(II) is provided exclusive	vely in connection with the service; and
(B) the service is the tru	ue object of the transaction;
(v) the retail sale of two	services if:
(A) one service is provi	ded that is essential to the use or receipt of a second service;
(B) the first service is p	rovided exclusively in connection with the second service; and
(C) the second service i	s the true object of the transaction;
(vi) a transaction that in	icludes tangible personal property or a product subject to
taxation under this chapter and	tangible personal property or a product that is not subject to
taxation under this chapter if the	<del>C:</del>
(A) seller's purchase pri	ice of the tangible personal property or product subject to
taxation under this chapter is de	<del>minimis; or</del>
(B) seller's sales price of	of the tangible personal property or product subject to taxation
under this chapter is de minimis	<del>s; and</del>
(vii) the retail sale of ta	ngible personal property that is not subject to taxation under

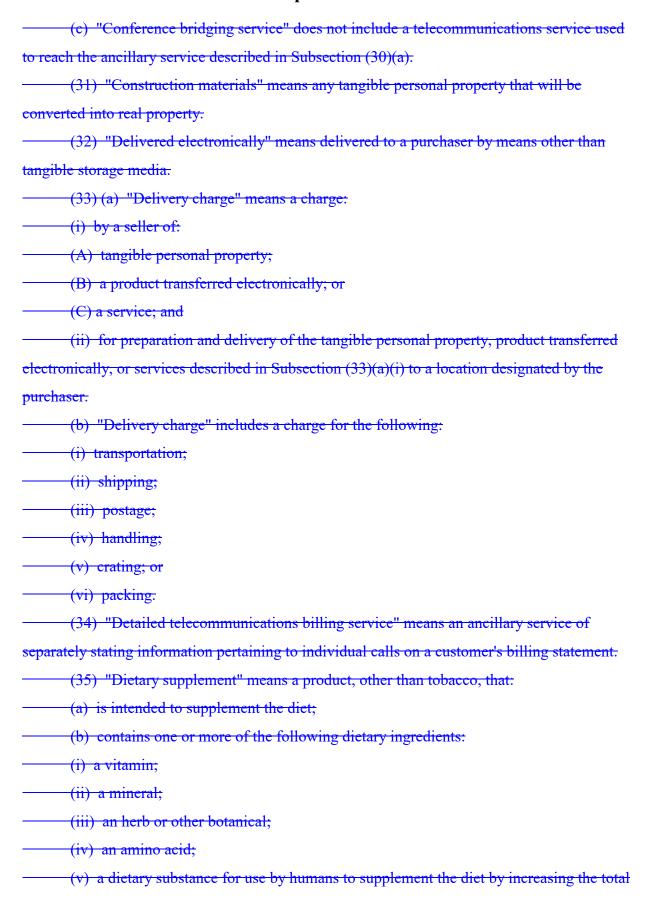


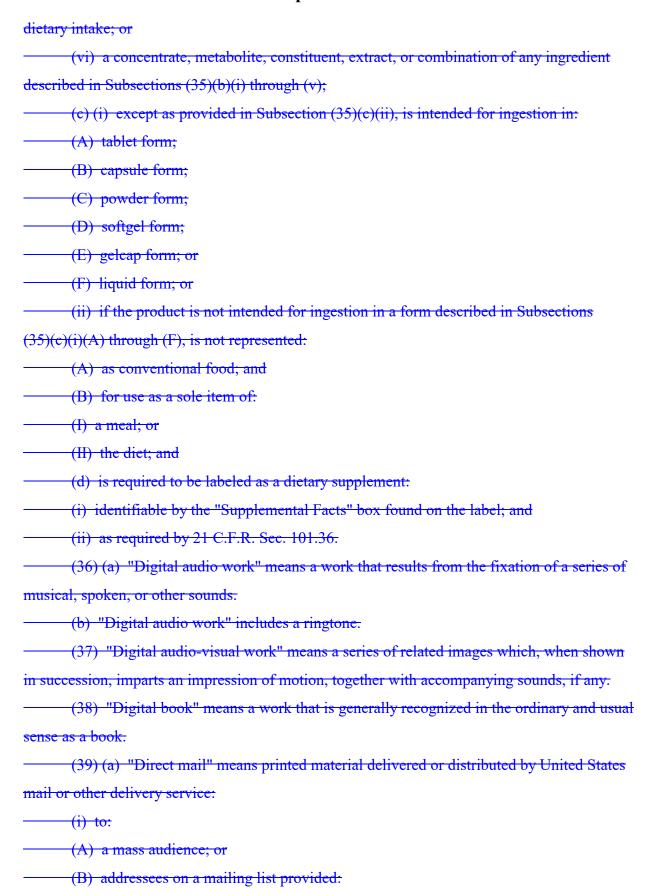
service on the following, regardless of whether the following is in paper format or electronic format: (A) a binding sales document; or (B) another supporting sales-related document that is available to a purchaser. (ii) For purposes of Subsection (19)(d)(i), a binding sales document or another supporting sales-related document that is available to a purchaser includes: (A) a bill of sale; (B) a contract; (C) an invoice; (D) a lease agreement; (E) a periodic notice of rates and services; (F) a price list; (G) a rate card; (II) a receipt; or (I) a service agreement. (e) (i) For purposes of Subsection (19)(b)(vi), the sales price of tangible personal property or a product subject to taxation under this chapter is de minimis if: (A) the seller's purchase price of the tangible personal property or product is 10% or less of the seller's total purchase price of the bundled transaction; or (B) the seller's sales price of the tangible personal property or product is 10% or less of the seller's total sales price of the bundled transaction. (ii) For purposes of Subsection (19)(b)(vi), a seller: (A) shall use the seller's purchase price or the seller's sales price to determine if the purchase price or sales price of the tangible personal property or product subject to taxation under this chapter is de minimis; and (B) may not use a combination of the seller's purchase price and the seller's sales price to determine if the purchase price or sales price of the tangible personal property or product subject to taxation under this chapter is de minimis. (iii) For purposes of Subsection (19)(b)(vi), a seller shall use the full term of a service contract to determine if the sales price of tangible personal property or a product is de minimis. (f) For purposes of Subsection (19)(b)(vii)(B), a seller may not use a combination of

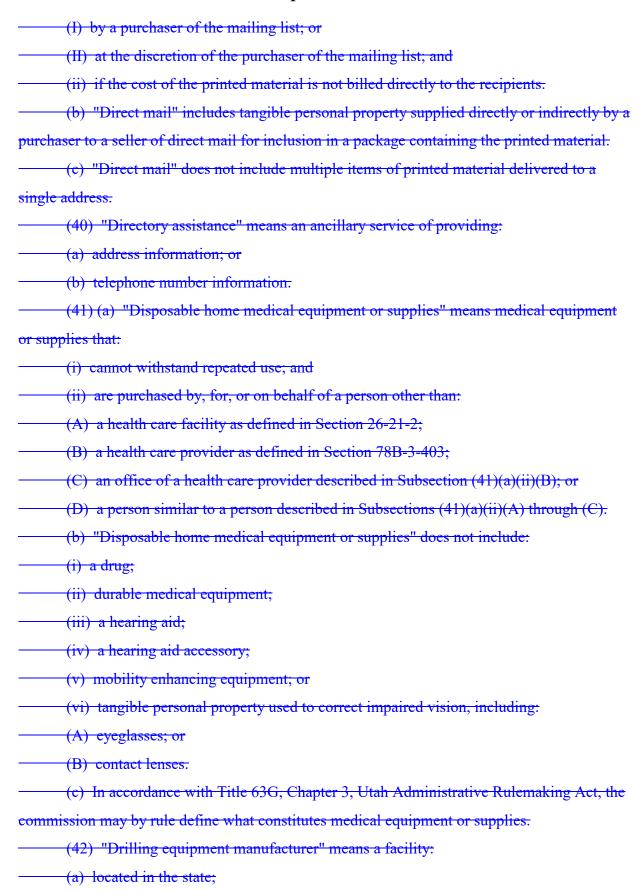
the seller's purchase price and the seller's sales price to determine if tangible personal property

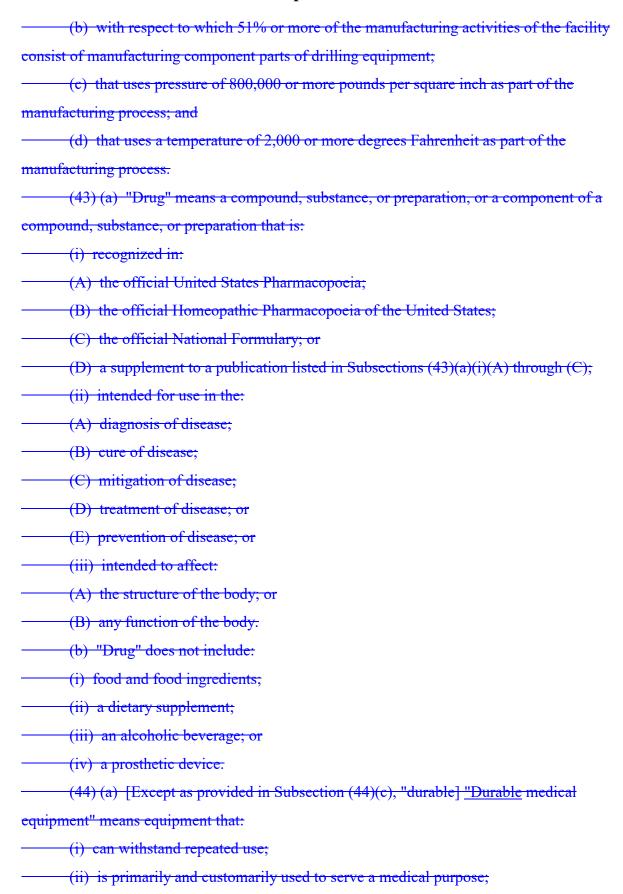
subject to taxation under this chapter is 50% or less of the seller's total purchase price or sales price of that retail sale. (20) "Certified automated system" means software certified by the governing board of the agreement that: (a) calculates the agreement sales and use tax imposed within a local taxing iurisdiction: (i) on a transaction; and (ii) in the states that are members of the agreement; (b) determines the amount of agreement sales and use tax to remit to a state that is a member of the agreement; and (c) maintains a record of the transaction described in Subsection (20)(a)(i). (21) "Certified service provider" means an agent certified: (a) by the governing board of the agreement; and (b) to perform a seller's sales and use tax functions for an agreement sales and use tax, as outlined in the contract between the governing board of the agreement and the certified service provider, other than the seller's obligation under Section 59-12-124 to remit a tax on the seller's own purchases. (22) (a) [Subject to Subsection (22)(b), "clothing"] "Clothing" means all human wearing apparel suitable for general use. (b) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the commission shall make rules: (i) listing the items that constitute "clothing"; and (ii) that are consistent with the list of items that constitute "clothing" under the agreement. (23) "Coal-to-liquid" means the process of converting coal into a liquid synthetic fuel. (24) "Commercial use" means the use of gas, electricity, heat, coal, fuel oil, or other fuels that does not constitute industrial use under Subsection [(57)] (59) or residential use under Subsection [(112)] (114). (25) (a) "Common carrier" means a person engaged in or transacting the business of transporting passengers, freight, merchandise, or other property for hire within this state.

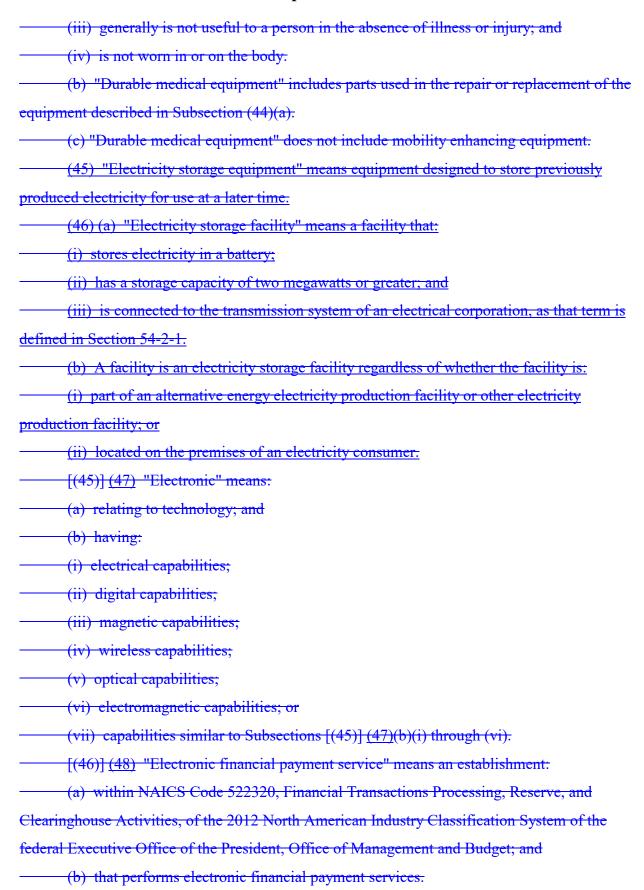


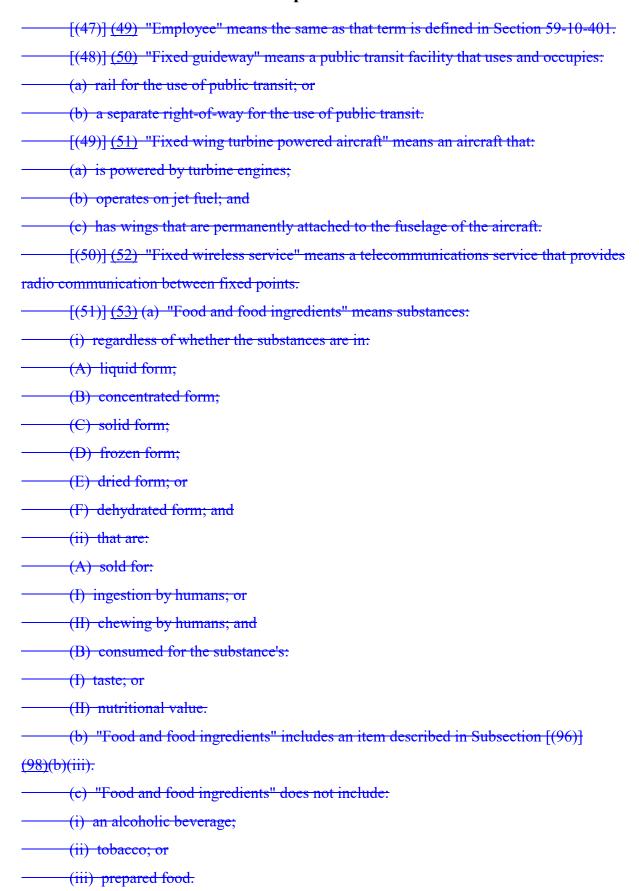


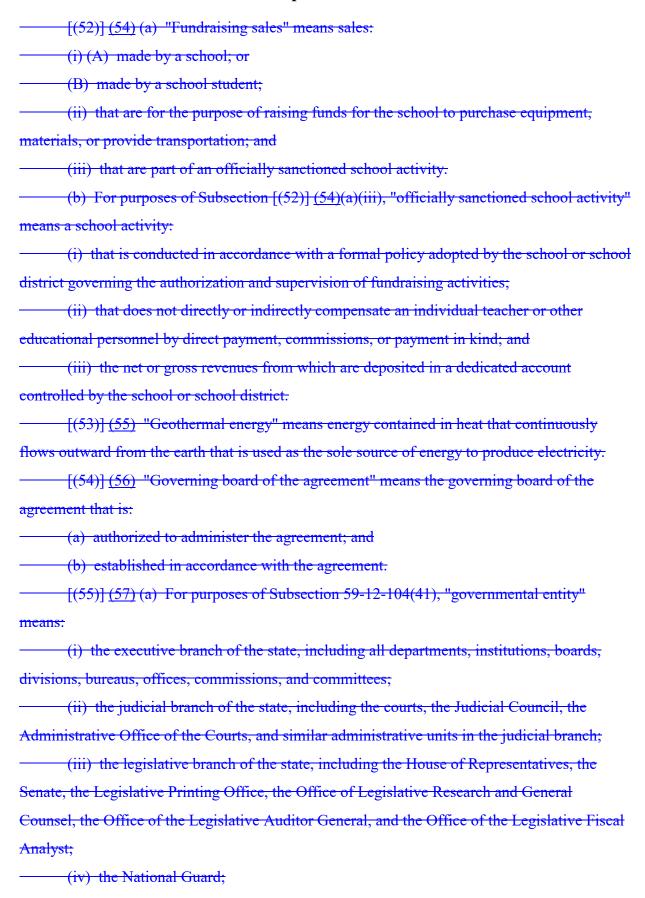




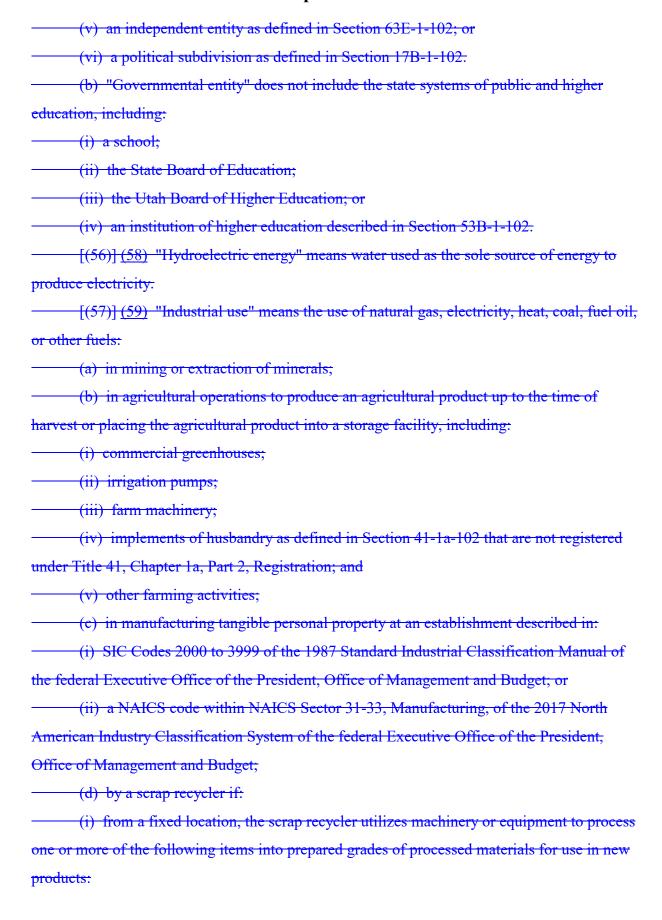


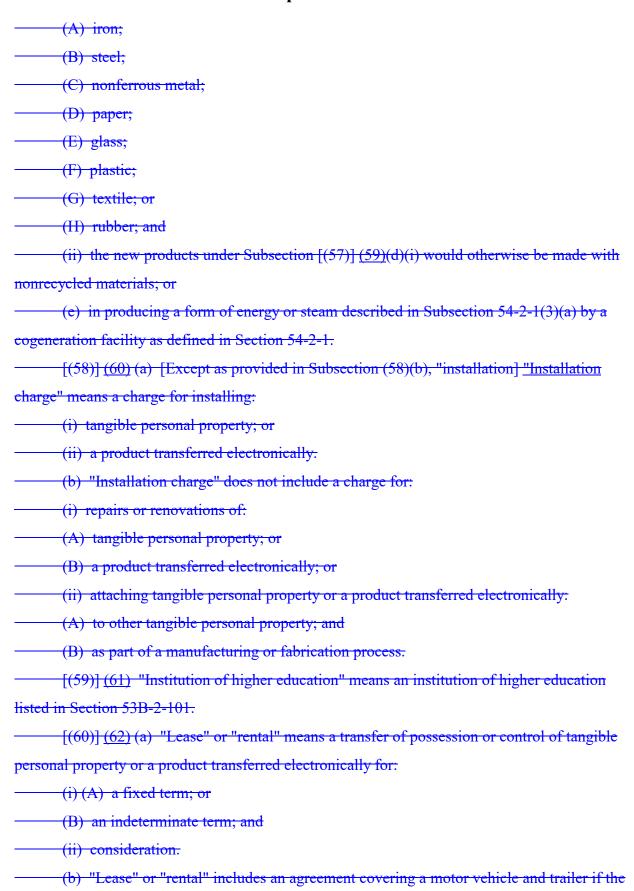






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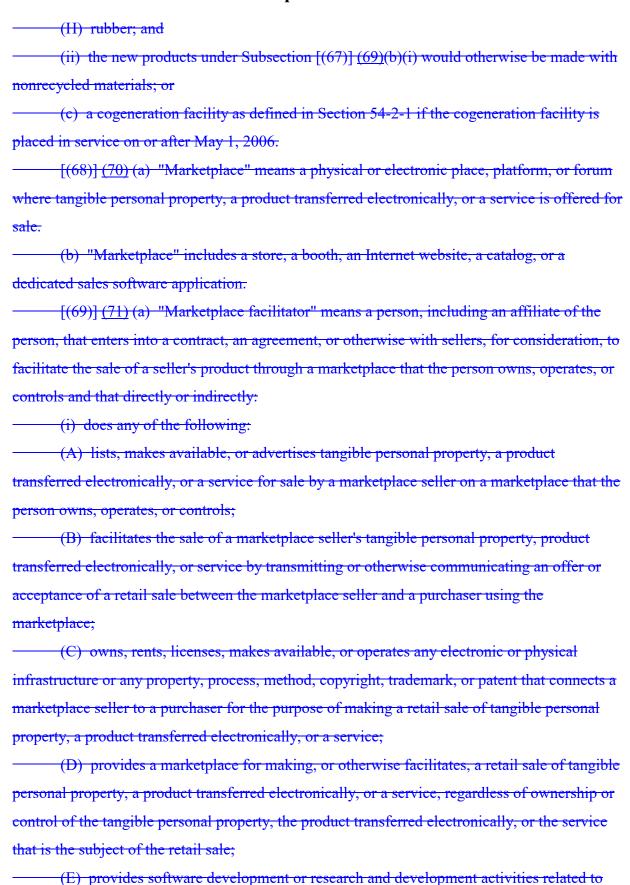


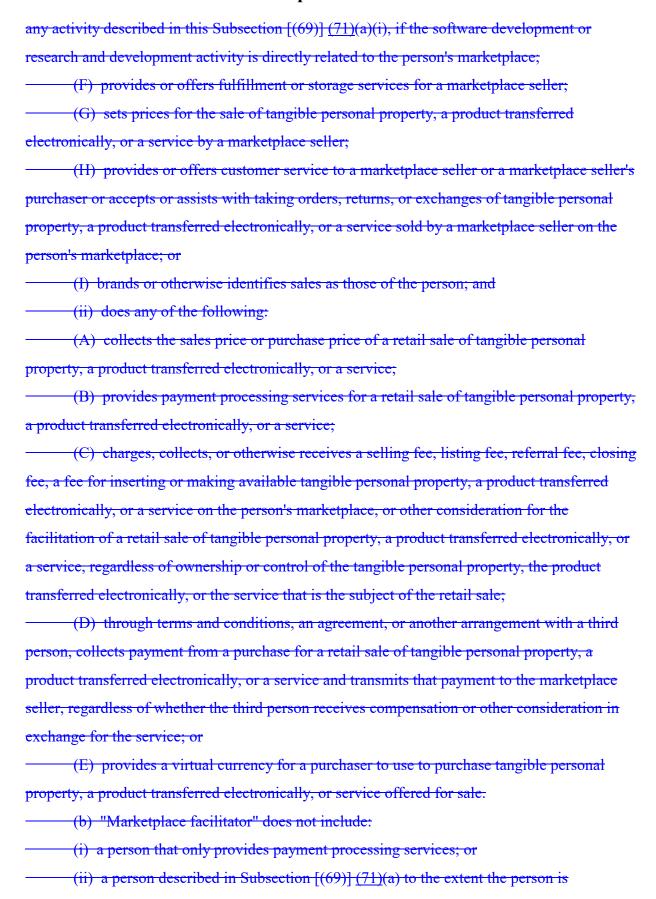


amount of consideration may be increased or decreased by reference to the amount realized upon sale or disposition of the property as defined in Section 7701(h)(1), Internal Revenue Code. (c) "Lease" or "rental" does not include: (i) a transfer of possession or control of property under a security agreement or deferred payment plan that requires the transfer of title upon completion of the required payments; (ii) a transfer of possession or control of property under an agreement that requires the transfer of title: (A) upon completion of required payments; and (B) if the payment of an option price does not exceed the greater of: (I) \$100; or (II) 1% of the total required payments; or (iii) providing tangible personal property along with an operator for a fixed period of time or an indeterminate period of time if the operator is necessary for equipment to perform as designed. (d) For purposes of Subsection [(60)] (62)(c)(iii), an operator is necessary for equipment to perform as designed if the operator's duties exceed the: (i) set-up of tangible personal property; (ii) maintenance of tangible personal property; or (iii) inspection of tangible personal property. [(61)] (63) "Lesson" means a fixed period of time for the duration of which a trained instructor: (a) is present with a student in person or by video; and (b) actively instructs the student, including by providing observation or feedback. [(62)] (64) "Life science establishment" means an establishment in this state that is classified under the following NAICS codes of the 2007 North American Industry Classification System of the federal Executive Office of the President, Office of Management and Budget: (a) NAICS Code 33911, Medical Equipment and Supplies Manufacturing;

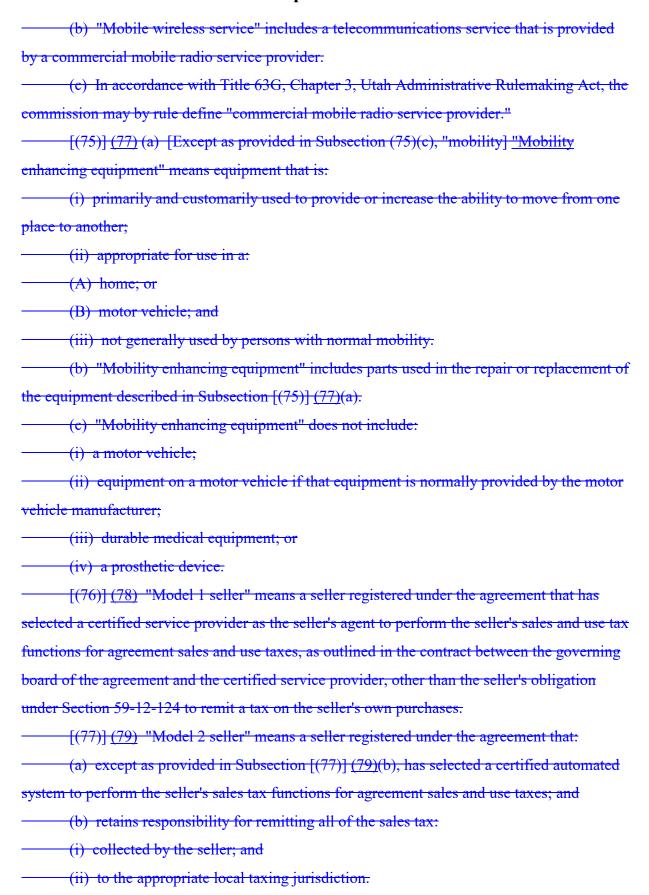
(b) NAICS Code 334510, Electromedical and Electrotherapeutic Apparatus

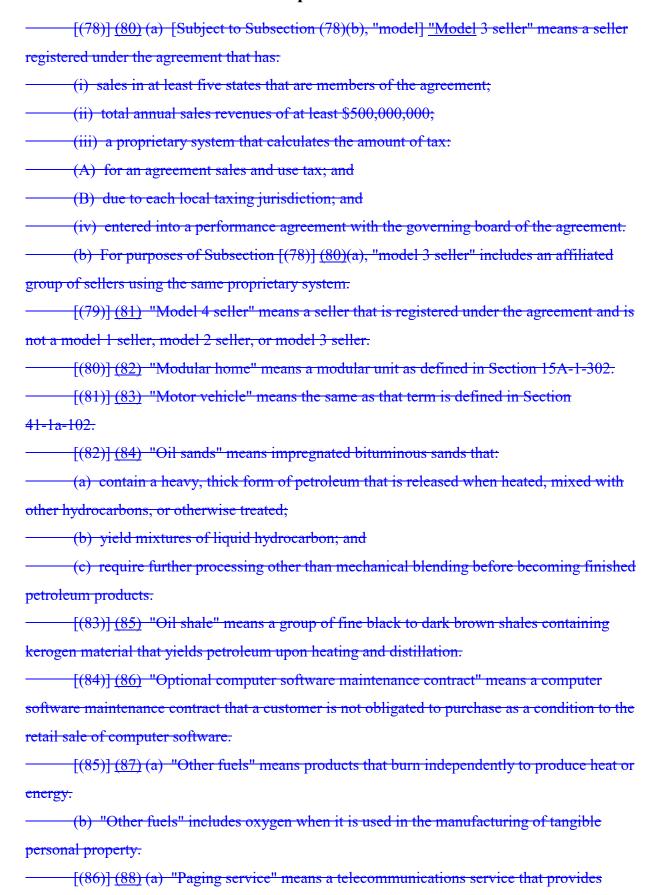
# Manufacturing; or (c) NAICS Code 334517, Irradiation Apparatus Manufacturing. [(63)] (65) "Life science research and development facility" means a facility owned, leased, or rented by a life science establishment if research and development is performed in 51% or more of the total area of the facility. [(64)] (66) "Load and leave" means delivery to a purchaser by use of a tangible storage media if the tangible storage media is not physically transferred to the purchaser. [(65)] (67) "Local taxing jurisdiction" means a: (a) county that is authorized to impose an agreement sales and use tax; (b) city that is authorized to impose an agreement sales and use tax; or (c) town that is authorized to impose an agreement sales and use tax. [(66)] (68) "Manufactured home" means the same as that term is defined in Section 15A-1-302. [(67)] (69) "Manufacturing facility" means: (a) an establishment described in: (i) SIC Codes 2000 to 3999 of the 1987 Standard Industrial Classification Manual of the federal Executive Office of the President, Office of Management and Budget; or (ii) a NAICS code within NAICS Sector 31-33, Manufacturing, of the 2017 North American Industry Classification System of the federal Executive Office of the President, Office of Management and Budget; (b) a scrap recycler if: (i) from a fixed location, the scrap recycler utilizes machinery or equipment to process one or more of the following items into prepared grades of processed materials for use in new products: (A) iron; (B) steel; (C) nonferrous metal; (D) paper; (E) glass; (F) plastic; (G) textile; or



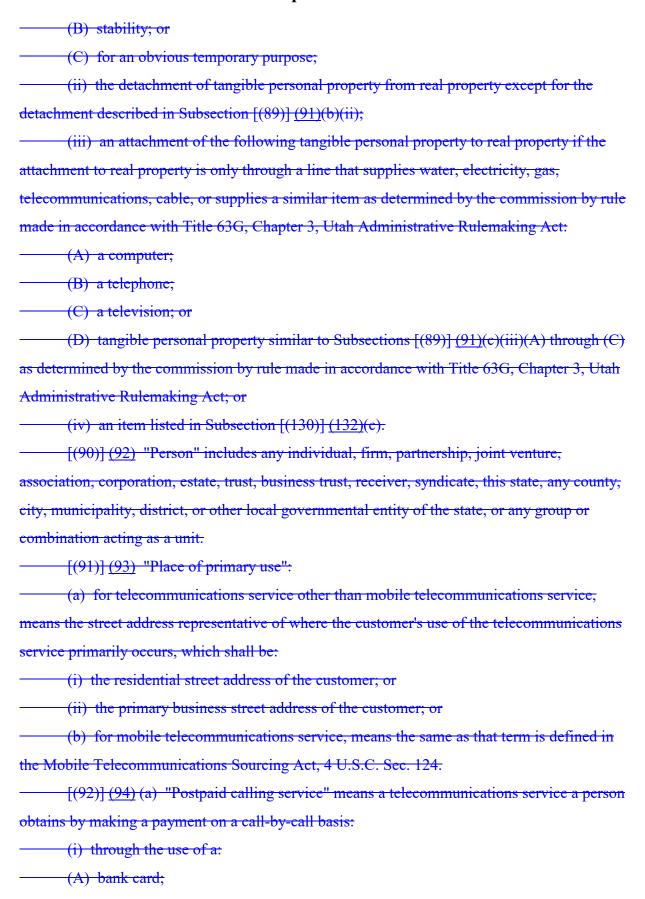


facilitating a sale for a seller that is a restaurant as defined in Section 59-12-602. [(70)] (72) "Marketplace seller" means a seller that makes one or more retail sales through a marketplace that a marketplace facilitator owns, operates, or controls, regardless of whether the seller is required to be registered to collect and remit the tax under this part. [(71)] (73) "Member of the immediate family of the producer" means a person who is related to a producer described in Subsection 59-12-104(20)(a) as a: (a) child or stepchild, regardless of whether the child or stepchild is: (i) an adopted child or adopted stepchild; or (ii) a foster child or foster stepchild; (b) grandchild or stepgrandchild; (c) grandparent or stepgrandparent; (d) nephew or stepnephew; (e) niece or stepniece; (f) parent or stepparent; (g) sibling or stepsibling; (h) spouse; (i) person who is the spouse of a person described in Subsections [(71)] (73)(a) through (g); or (j) person similar to a person described in Subsections [(71)] (73)(a) through (i) as determined by the commission by rule made in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act. [(72)] (74) "Mobile home" means the same as that term is defined in Section 15A-1-302. [(73)] (75) "Mobile telecommunications service" means the same as that term is defined in the Mobile Telecommunications Sourcing Act, 4 U.S.C. Sec. 124. -[(74)] (76) (a) "Mobile wireless service" means a telecommunications service, regardless of the technology used, if: (i) the origination point of the conveyance, routing, or transmission is not fixed; (ii) the termination point of the conveyance, routing, or transmission is not fixed; or (iii) the origination point described in Subsection [(74)] (76)(a)(i) and the termination point described in Subsection [(74)] (76)(a)(ii) are not fixed.



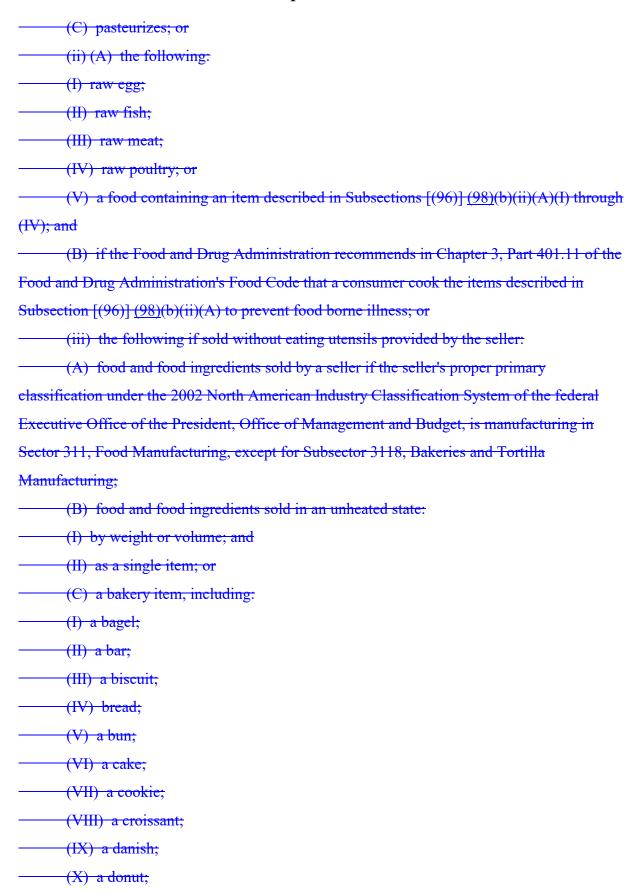


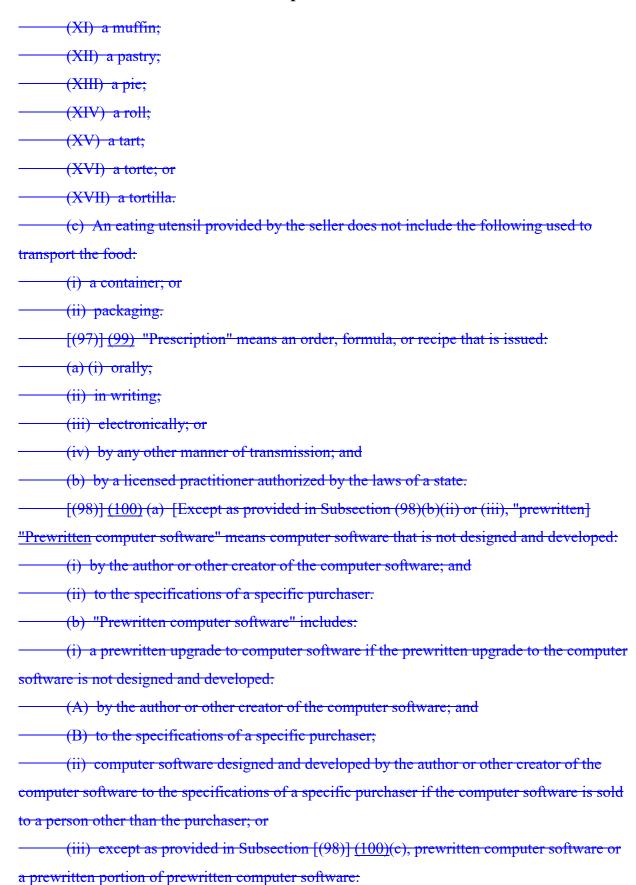
transmission of a coded radio signal for the purpose of activating a specific pager. (b) For purposes of Subsection [(86)] (88)(a), the transmission of a coded radio signal includes a transmission by message or sound. [(87)] (89) "Pawn transaction" means the same as that term is defined in Section <del>13-32a-102.</del> [(88)] (90) "Pawnbroker" means the same as that term is defined in Section <del>13-32a-102.</del> [(89)] (91) (a) "Permanently attached to real property" means that for tangible personal property attached to real property: (i) the attachment of the tangible personal property to the real property: (A) is essential to the use of the tangible personal property; and (B) suggests that the tangible personal property will remain attached to the real property in the same place over the useful life of the tangible personal property; or (ii) if the tangible personal property is detached from the real property, the detachment would: (A) cause substantial damage to the tangible personal property; or (B) require substantial alteration or repair of the real property to which the tangible personal property is attached. (b) "Permanently attached to real property" includes: (i) the attachment of an accessory to the tangible personal property if the accessory is: (A) essential to the operation of the tangible personal property; and (B) attached only to facilitate the operation of the tangible personal property; (ii) a temporary detachment of tangible personal property from real property for a repair or renovation if the repair or renovation is performed where the tangible personal property and real property are located; or (iii) property attached to oil, gas, or water pipelines, except for the property listed in Subsection [(89)] (91)(c)(iii) or (iv). (c) "Permanently attached to real property" does not include: (i) the attachment of portable or movable tangible personal property to real property if that portable or movable tangible personal property is attached to real property only for: (A) convenience;

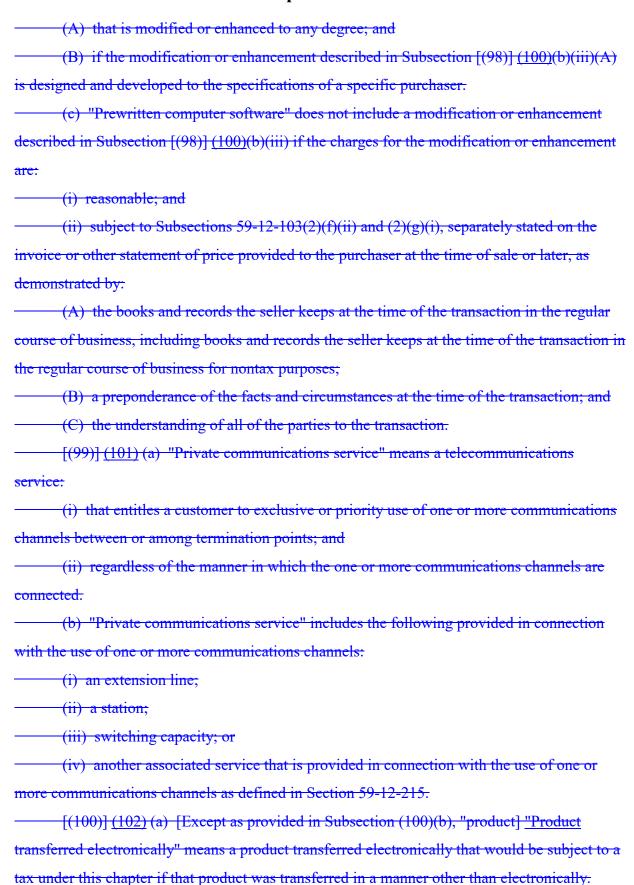


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(C) debit card; or	
(D) travel card; or	
(ii) by a charge made to a telephone number that is not associated with the origination	
or termination of the telecommunications service.	
(b) "Postpaid calling service" includes a service, except for a prepaid wireless calling	
service, that would be a prepaid wireless calling service if the service were exclusively a	
telecommunications service.	
[(93)] (95) "Postproduction" means an activity related to the finishing or duplication of	f
a medium described in Subsection 59-12-104(54)(a).	
[(94)] (96) "Prepaid calling service" means a telecommunications service:	
(a) that allows a purchaser access to telecommunications service that is exclusively	
telecommunications service;	
<del>(b) that:</del>	
(i) is paid for in advance; and	
(ii) enables the origination of a call using an:	
(A) access number; or	
(B) authorization code;	
(c) that is dialed:	
<del>(i) manually; or</del>	
(ii) electronically; and	
(d) sold in predetermined units or dollars that decline:	
(i) by a known amount; and	
(ii) with use.	
[(95)] (97) "Prepaid wireless calling service" means a telecommunications service:	
(a) that provides the right to utilize:	
(i) mobile wireless service; and	
(ii) other service that is not a telecommunications service, including:	
(A) the download of a product transferred electronically;	
(B) a content service; or	
(C) an ancillary service;	

<del>(b)</del>	<del>that:</del>
<del>(i)</del>	is paid for in advance; and
<del>(ii)</del>	enables the origination of a call using an:
<del>(A</del> )	) access number; or
<del>(B)</del>	<del>) authorization code;</del>
<del>(c)</del>	that is dialed:
<del>(i)</del>	manually; or
<del>(ii)</del>	electronically; and
<del>(d)</del>	sold in predetermined units or dollars that decline:
<del>(i)</del>	by a known amount; and
<del>(ii)</del>	with use.
<del>[(9</del>	6)] (98) (a) "Prepared food" means:
<del>(i)</del>	<del>food:</del>
<del>(A</del> )	) sold in a heated state; or
<del>(B)</del>	heated by a seller;
<del>(ii)</del>	two or more food ingredients mixed or combined by the seller for sale as a single
item; or	
<del>(iii</del>	except as provided in Subsection [(96)] (98)(c), food sold with an eating utensil
provided b	by the seller, including a:
<del>(A</del> )	<del>) plate;</del>
<del>(B</del> )	<del>) knife;</del>
<del>(C</del> )	<del>) fork;</del>
<del>(D</del> )	<del>) spoon;</del>
<del>(E)</del>	<del>) glass;</del>
<del>(F)</del>	<del>- cup;</del>
<del>(G</del> )	<del>) napkin; or</del>
<del>(H)</del>	<del>) straw.</del>
<del>(b)</del>	"Prepared food" does not include:
<del>(i)</del>	food that a seller only:
<del>(A</del> )	<del>) cuts;</del>
<del>(B)</del>	<del>) repackages; or</del>

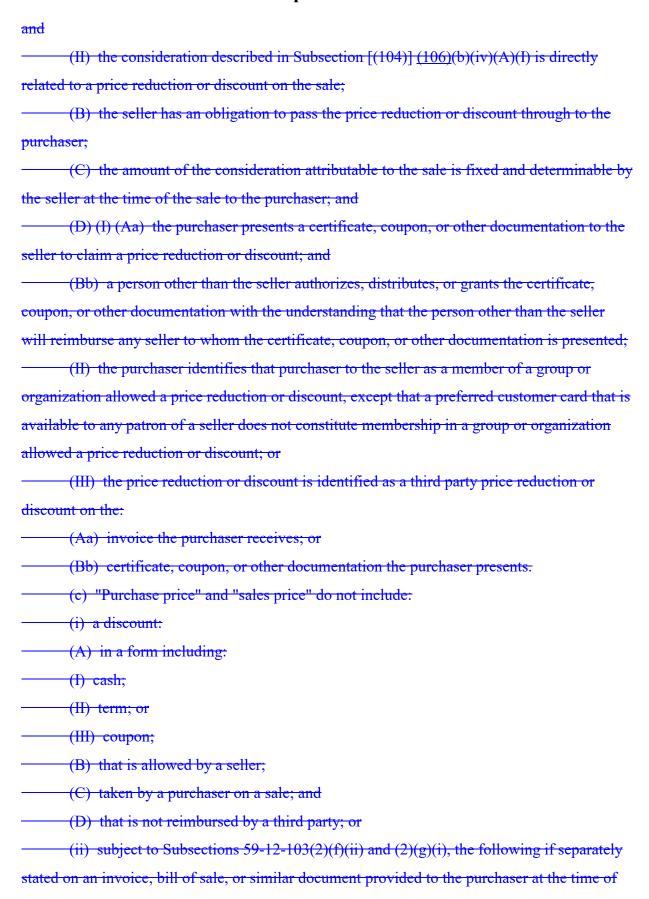






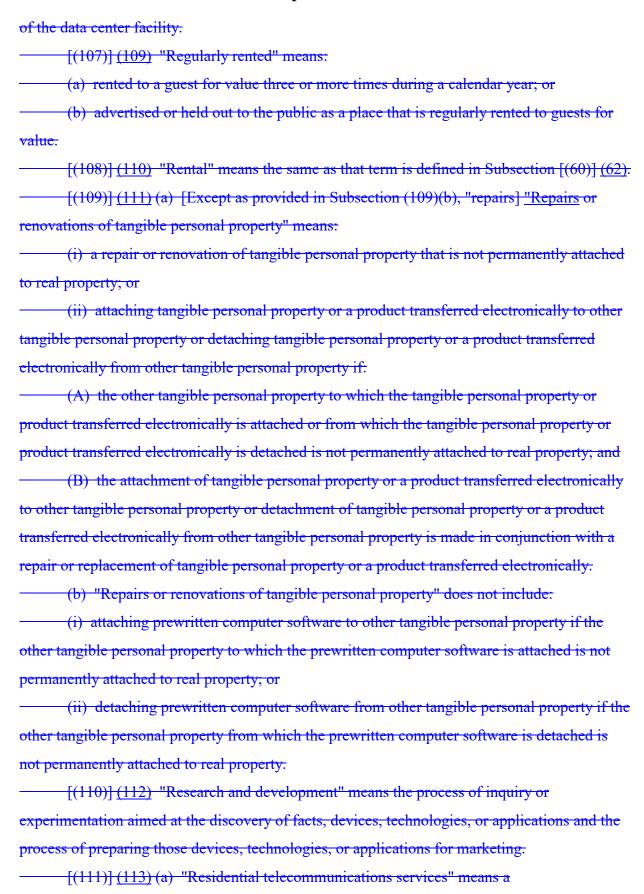
(b) "Product transferred electronically" does not include:
(i) an ancillary service;
(ii) computer software; or
(iii) a telecommunications service.
[(101)] (103) (a) "Prosthetic device" means a device that is worn on or in the body to:
(i) artificially replace a missing portion of the body;
(ii) prevent or correct a physical deformity or physical malfunction; or
(iii) support a weak or deformed portion of the body.
(b) "Prosthetic device" includes:
(i) parts used in the repairs or renovation of a prosthetic device;
(ii) replacement parts for a prosthetic device;
(iii) a dental prosthesis; or
(iv) a hearing aid.
(c) "Prosthetic device" does not include:
(i) corrective eyeglasses; or
(ii) contact lenses.
[(102)] (104) (a) "Protective equipment" means an item:
(i) for human wear; and
(ii) that is:
(A) designed as protection:
(I) to the wearer against injury or disease; or
(II) against damage or injury of other persons or property; and
(B) not suitable for general use.
(b) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the
commission shall make rules:
(i) listing the items that constitute "protective equipment"; and
(ii) that are consistent with the list of items that constitute "protective equipment"
under the agreement.
[(103)] (105) (a) For purposes of Subsection 59-12-104(41), "publication" means any
written or printed matter, other than a photocopy:
(i) regardless of:

(A) characteristics;
(B) copyright;
<del>(C) form;</del>
(D) format;
(E) method of reproduction; or
(F) source; and
(ii) made available in printed or electronic format.
(b) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the
commission may by rule define the term "photocopy."
[(104)] (106) (a) "Purchase price" and "sales price" mean the total amount of
<del>consideration:</del>
(i) valued in money; and
(ii) for which tangible personal property, a product transferred electronically, or
services are:
(A) sold;
(B) leased; or
(C) rented.
(b) "Purchase price" and "sales price" include:
(i) the seller's cost of the tangible personal property, a product transferred
electronically, or services sold;
(ii) expenses of the seller, including:
(A) the cost of materials used;
(B) a labor cost;
(C) a service cost;
(D) interest;
(E) a loss;
(F) the cost of transportation to the seller; or
(G) a tax imposed on the seller;
(iii) a charge by the seller for any service necessary to complete the sale; or
(iv) consideration a seller receives from a person other than the purchaser if:
(A) (I) the seller actually receives consideration from a person other than the purchaser;



sale or later, as demonstrated by the books and records the seller keeps at the time of the transaction in the regular course of business, including books and records the seller keeps at the time of the transaction in the regular course of business for nontax purposes, by a preponderance of the facts and circumstances at the time of the transaction, and by the understanding of all of the parties to the transaction:

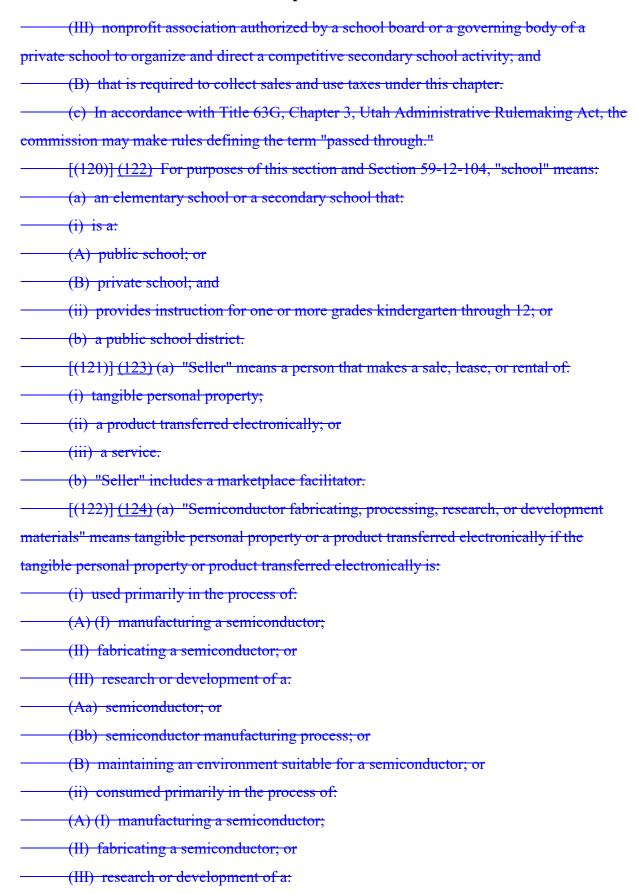
preponderance of the facts and circumstances at the time of the transaction, and by the
understanding of all of the parties to the transaction:
(A) the following from credit extended on the sale of tangible personal property or
services:
(I) a carrying charge;
(II) a financing charge; or
(III) an interest charge;
(B) a delivery charge;
(C) an installation charge;
(D) a manufacturer rebate on a motor vehicle; or
(E) a tax or fee legally imposed directly on the consumer.
[(105)] (107) "Purchaser" means a person to whom:
(a) a sale of tangible personal property is made;
(b) a product is transferred electronically; or
(c) a service is furnished.
[(106)] (108) "Qualifying data center" means a data center facility that:
(a) houses a group of networked server computers in one physical location in order to
lisseminate, manage, and store data and information;
(b) is located in the state;
(c) is a new operation constructed on or after July 1, 2016;
(d) consists of one or more buildings that total 150,000 or more square feet;
(e) is owned or leased by:
(i) the operator of the data center facility; or
(ii) a person under common ownership, as defined in Section 59-7-101, of the operator
of the data center facility; and
(f) is located on one or more parcels of land that are owned or leased by:
(i) the operator of the data center facility; or
(ii) a person under common ownership, as defined in Section 59-7-101, of the operator

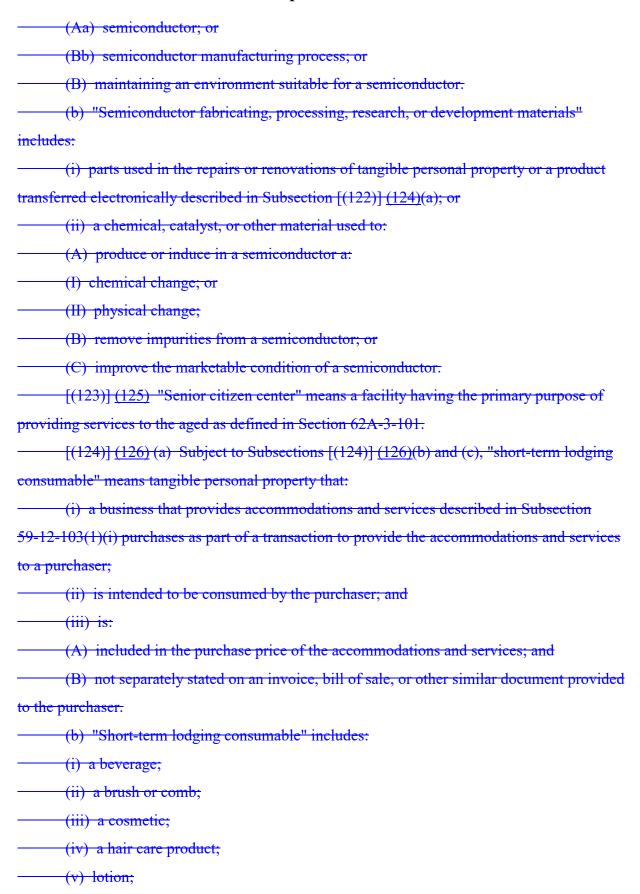


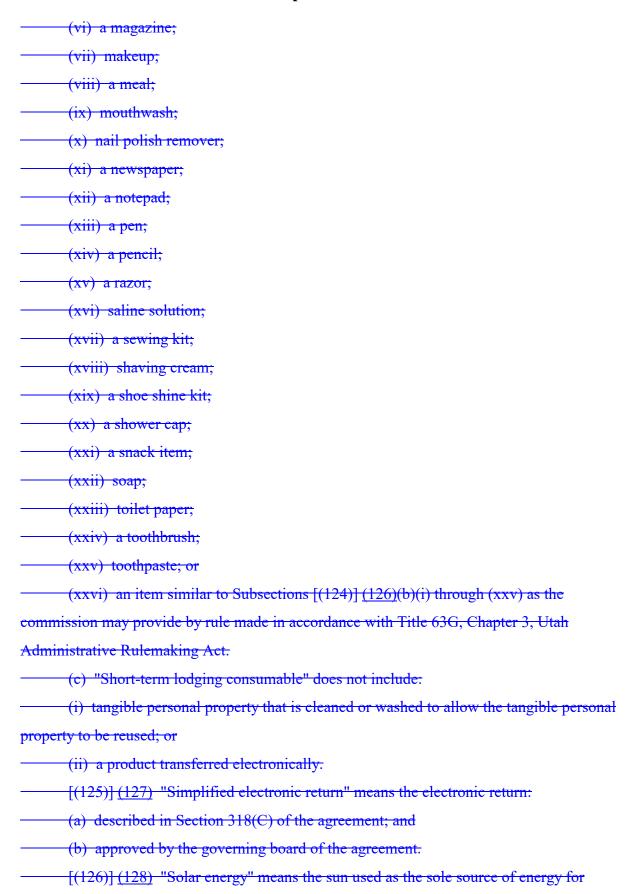
telecommunications service or an ancillary service that is provided to an individual for personal use: (i) at a residential address; or (ii) at an institution, including a nursing home or a school, if the telecommunications service or ancillary service is provided to and paid for by the individual residing at the institution rather than the institution. (b) For purposes of Subsection [(111)] (113)(a)(i), a residential address includes an: (i) apartment; or (ii) other individual dwelling unit. [(112)] (114) "Residential use" means the use in or around a home, apartment building, sleeping quarters, and similar facilities or accommodations. [(113)] (115) "Retail sale" or "sale at retail" means a sale, lease, or rental for a purpose other than: (a) resale; (b) sublease; or (c) subrent. [(114)] (116) (a) "Retailer" means any person, unless prohibited by the Constitution of the United States or federal law, that is engaged in a regularly organized business in tangible personal property or any other taxable transaction under Subsection 59-12-103(1), and who is selling to the user or consumer and not for resale. (b) "Retailer" includes commission merchants, auctioneers, and any person regularly engaged in the business of selling to users or consumers within the state. [(115)] (117) (a) "Sale" means any transfer of title, exchange, or barter, conditional or otherwise, in any manner, of tangible personal property or any other taxable transaction under Subsection 59-12-103(1), for consideration. (b) "Sale" includes: (i) installment and credit sales; (ii) any closed transaction constituting a sale; (iii) any sale of electrical energy, gas, services, or entertainment taxable under this chapter; (iv) any transaction if the possession of property is transferred but the seller retains the

title as security for the payment of the price; and (v) any transaction under which right to possession, operation, or use of any article of tangible personal property is granted under a lease or contract and the transfer of possession would be taxable if an outright sale were made. [(116)] (118) "Sale at retail" means the same as that term is defined in Subsection <del>[(113)] (115).</del> [(117)] (119) "Sale-leaseback transaction" means a transaction by which title to tangible personal property or a product transferred electronically that is subject to a tax under this chapter is transferred: (a) by a purchaser-lessee; (b) to a lessor; (c) for consideration; and (d) if: (i) the purchaser-lessee paid sales and use tax on the purchaser-lessee's initial purchase of the tangible personal property or product transferred electronically; (ii) the sale of the tangible personal property or product transferred electronically to the lessor is intended as a form of financing: (A) for the tangible personal property or product transferred electronically; and (B) to the purchaser-lessee; and (iii) in accordance with generally accepted accounting principles, the purchaser-lessee is required to: (A) capitalize the tangible personal property or product transferred electronically for financial reporting purposes; and (B) account for the lease payments as payments made under a financing arrangement. [(118)] (120) "Sales price" means the same as that term is defined in Subsection <del>[(104)] <u>(106)</u>.</del> [(119)] (121) (a) "Sales relating to schools" means the following sales by, amounts paid to, or amounts charged by a school: (i) sales that are directly related to the school's educational functions or activities including: (A) the sale of:

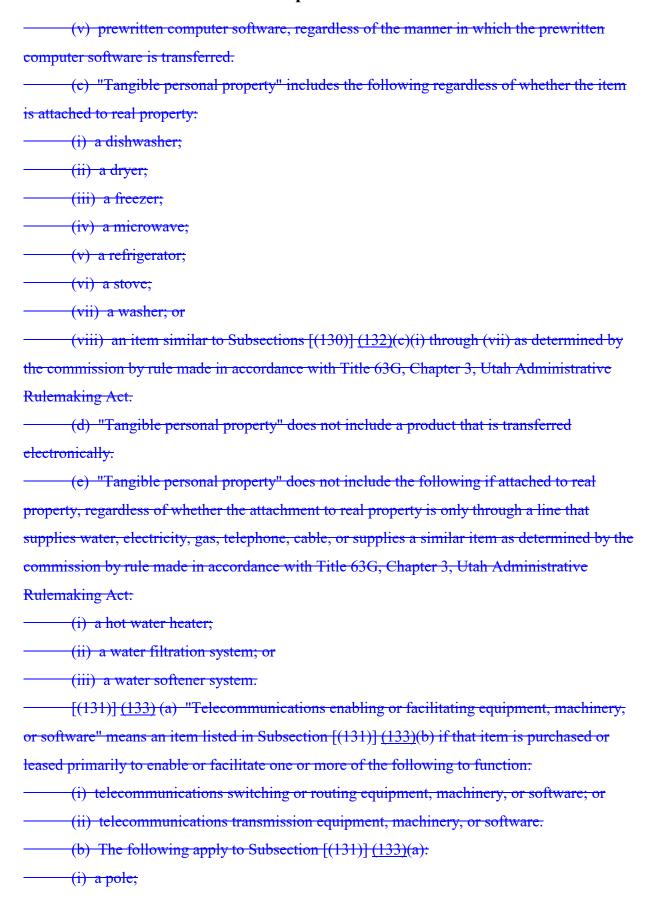
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(II) textbook fees;
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(IV) laboratory supplies; or
(V) safety equipment;
(B) the sale of a uniform, protective equipment, or sports or recreational equipment
that:
(I) a student is specifically required to wear as a condition of participation in a
school-related event or school-related activity; and
(II) is not readily adaptable to general or continued usage to the extent that it takes the
place of ordinary clothing;
(C) sales of the following if the net or gross revenues generated by the sales are
deposited into a school district fund or school fund dedicated to school meals:
(I) food and food ingredients; or
(II) prepared food; or
(D) transportation charges for official school activities; or
(ii) amounts paid to or amounts charged by a school for admission to a school-related
event or school-related activity.
(b) "Sales relating to schools" does not include:
(i) bookstore sales of items that are not educational materials or supplies;
(ii) except as provided in Subsection [(119)] (121)(a)(i)(B):
(A) clothing;
(B) clothing accessories or equipment;
(C) protective equipment; or
(D) sports or recreational equipment; or
(iii) amounts paid to or amounts charged by a school for admission to a school-related
event or school-related activity if the amounts paid or charged are passed through to a person:
(A) other than a:
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(II) nonprofit organization authorized by a school board or a governing body of a
private school to organize and direct a competitive secondary school activity; or

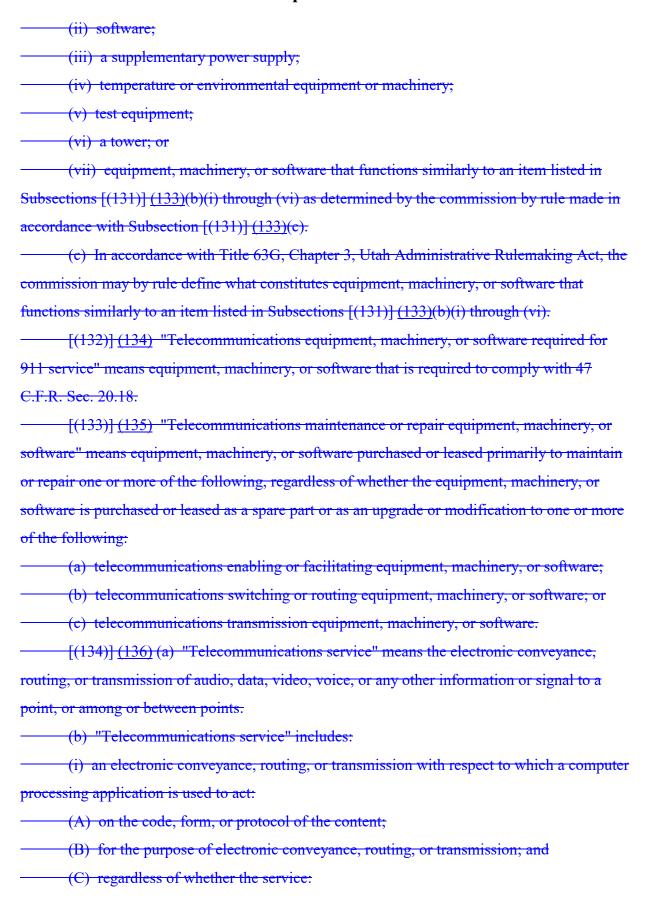






producing electricity.
[(127)] (129) (a) "Sports or recreational equipment" means an item:
(i) designed for human use; and
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(A) worn in conjunction with:
(I) an athletic activity; or
(II) a recreational activity; and
(B) not suitable for general use.
(b) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the
commission shall make rules:
(i) listing the items that constitute "sports or recreational equipment"; and
(ii) that are consistent with the list of items that constitute "sports or recreational
equipment" under the agreement.
[(128)] (130) "State" means the state of Utah, its departments, and agencies.
[(129)] (131) "Storage" means any keeping or retention of tangible personal property or
any other taxable transaction under Subsection 59-12-103(1), in this state for any purpose
except sale in the regular course of business.
[(130)] (132) (a) [Except as provided in Subsection (130)(d) or (e), "tangible]
"Tangible personal property" means personal property that:
(i) may be:
(A) seen;
(B) weighed;
(C) measured;
(D) felt; or
(E) touched; or
(ii) is in any manner perceptible to the senses.
(b) "Tangible personal property" includes:
(i) electricity;
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(iv) steam; or

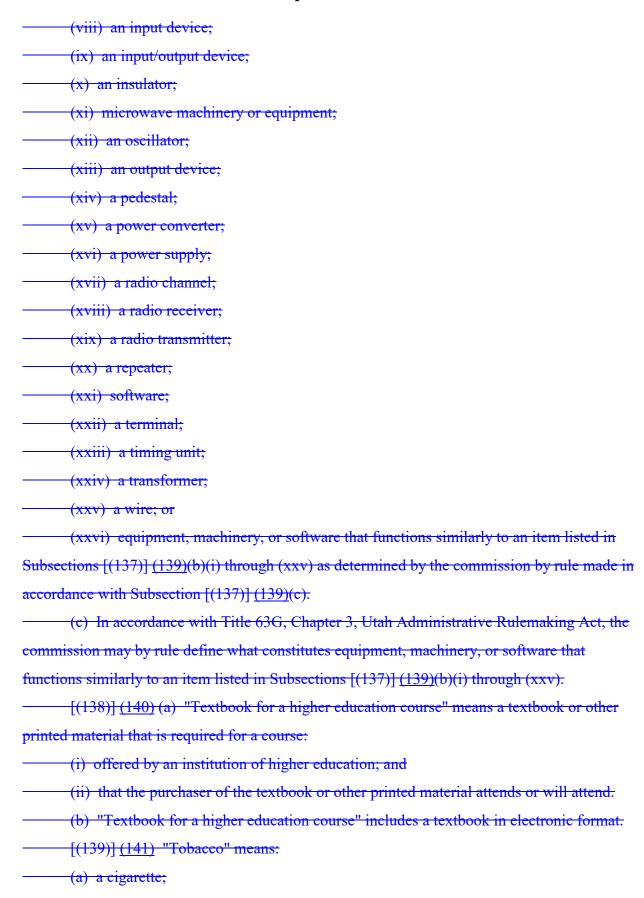


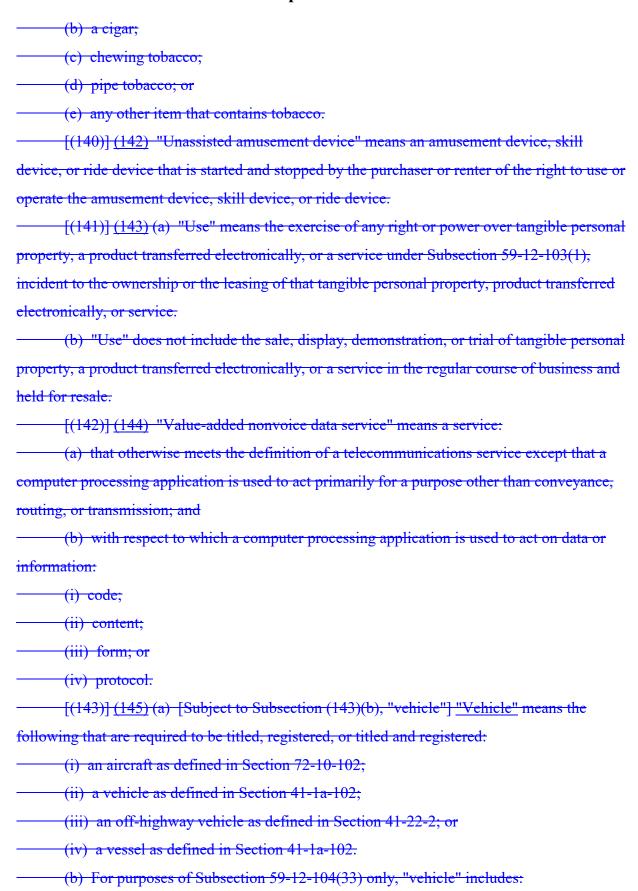


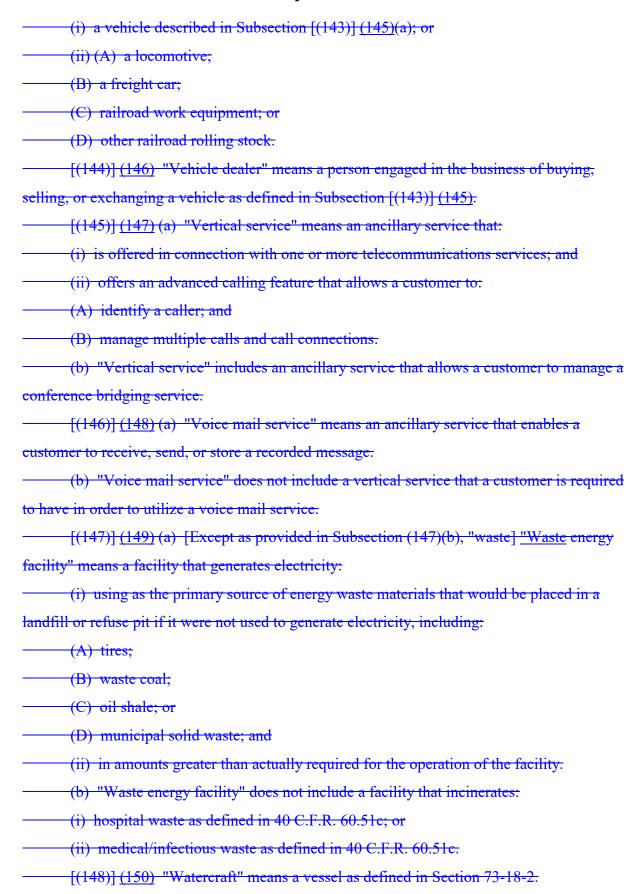


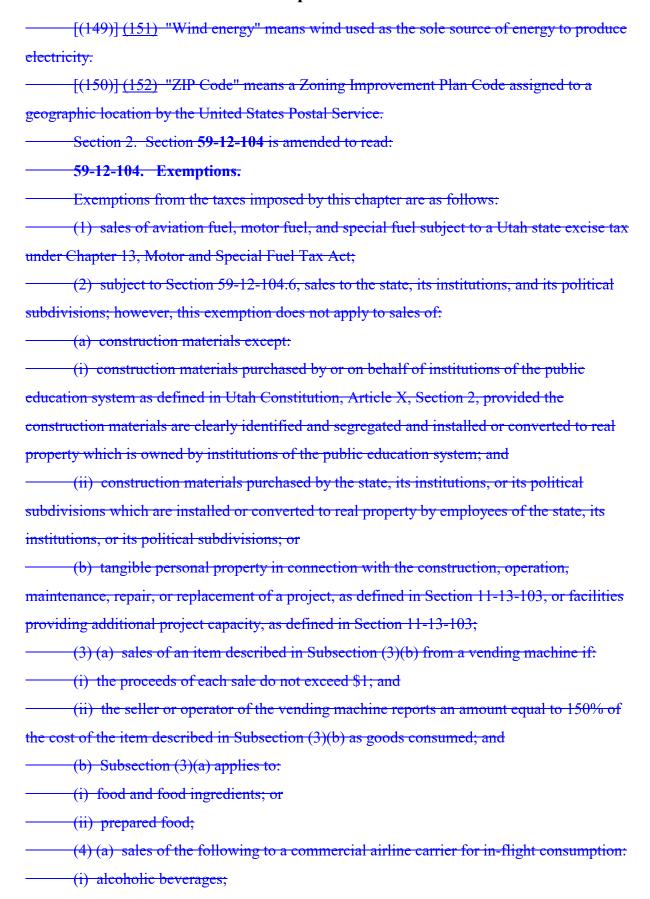
(A) music;
(B) reading material;
(C) a ring tone;
(D) software; or
(E) video;
(ix) a radio and television audio and video programming service:
(A) regardless of the medium; and
(B) including:
(I) furnishing conveyance, routing, or transmission of a television audio and video
programming service by a programming service provider;
(II) cable service as defined in 47 U.S.C. Sec. 522(6); or
(III) audio and video programming services delivered by a commercial mobile radio
service provider as defined in 47 C.F.R. Sec. 20.3;
(x) a value-added nonvoice data service; or
(xi) tangible personal property.
[(135)] (137) (a) "Telecommunications service provider" means a person that:
(i) owns, controls, operates, or manages a telecommunications service; and
(ii) engages in an activity described in Subsection [(135)] (137)(a)(i) for the shared use
with or resale to any person of the telecommunications service.
(b) A person described in Subsection [(135)] (137)(a) is a telecommunications service
provider whether or not the Public Service Commission of Utah regulates:
(i) that person; or
(ii) the telecommunications service that the person owns, controls, operates, or
manages.
[(136)] (138) (a) "Telecommunications switching or routing equipment, machinery, or
software" means an item listed in Subsection [(136)] (138)(b) if that item is purchased or
leased primarily for switching or routing:
(i) an ancillary service;
(ii) data communications;
(iii) voice communications; or
(iv) telecommunications service.

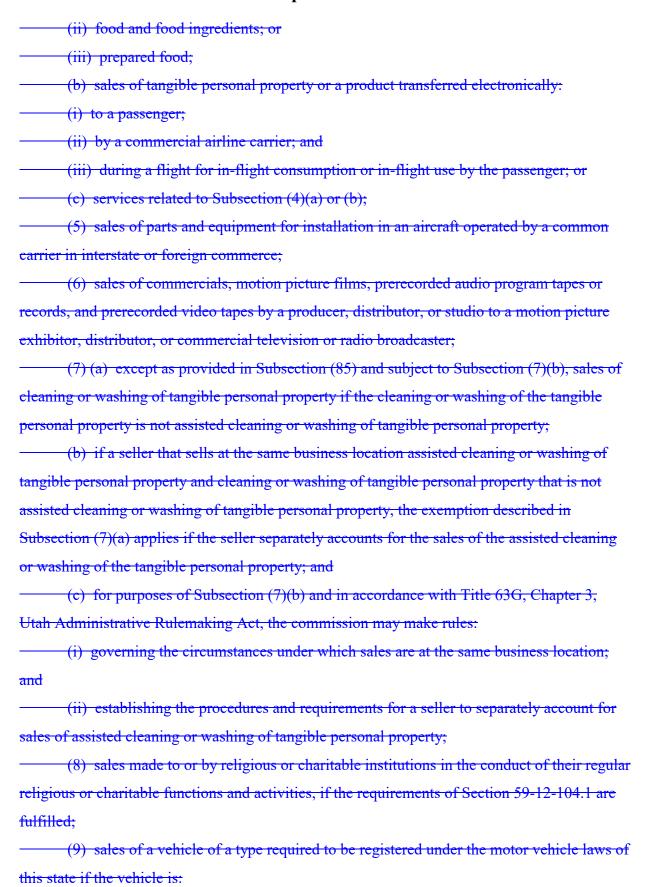
(b) The following apply to Subsection [(136)] (138)(a):
<del>(i) a bridge;</del>
<del>(ii) a computer;</del>
(iii) a cross connect;
<del>(iv)</del> a modem;
(v) a multiplexer;
(vi) plug in circuitry;
(vii) a router;
(viii) software;
(ix) a switch; or
(x) equipment, machinery, or software that functions similarly to an item listed in
Subsections [(136)] (138)(b)(i) through (ix) as determined by the commission by rule made in
accordance with Subsection [(136)] (138)(c).
(c) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, th
commission may by rule define what constitutes equipment, machinery, or software that
functions similarly to an item listed in Subsections [(136)] (138)(b)(i) through (ix).
[(137)] (139) (a) "Telecommunications transmission equipment, machinery, or
software" means an item listed in Subsection [(137)] (139)(b) if that item is purchased or
leased primarily for sending, receiving, or transporting:
(i) an ancillary service;
(ii) data communications;
(iii) voice communications; or
(iv) telecommunications service.
(b) The following apply to Subsection [(137)] (139)(a):
(i) an amplifier;
<del>(ii) a cable;</del>
(iii) a closure;
(iv) a conduit;
(v) a controller;
(vi) a duplexer;
(vii) a filter:

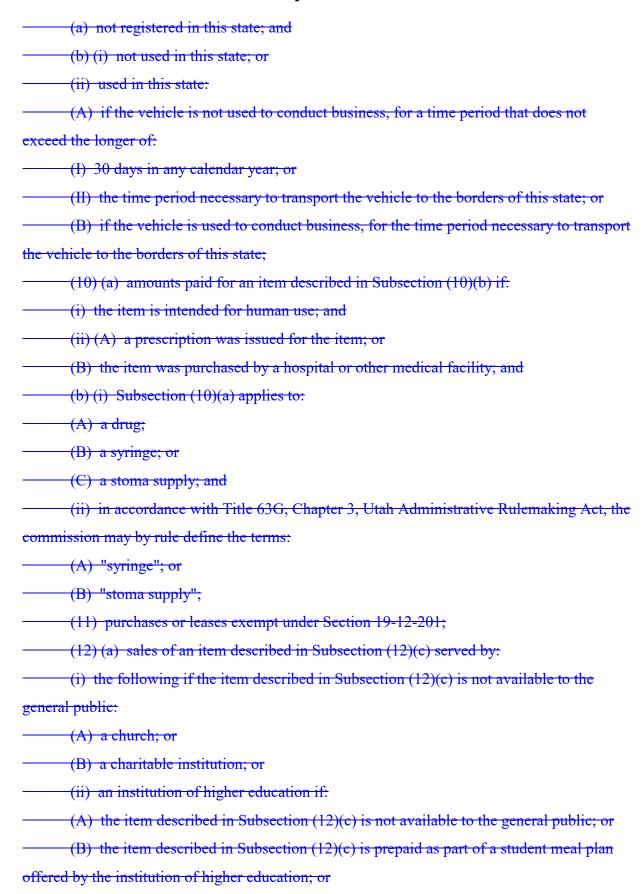


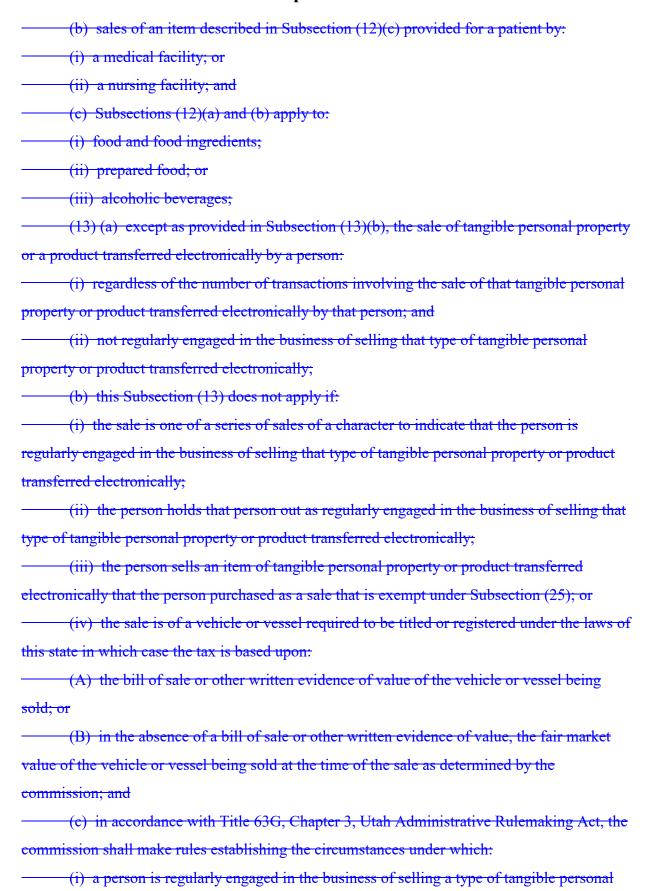










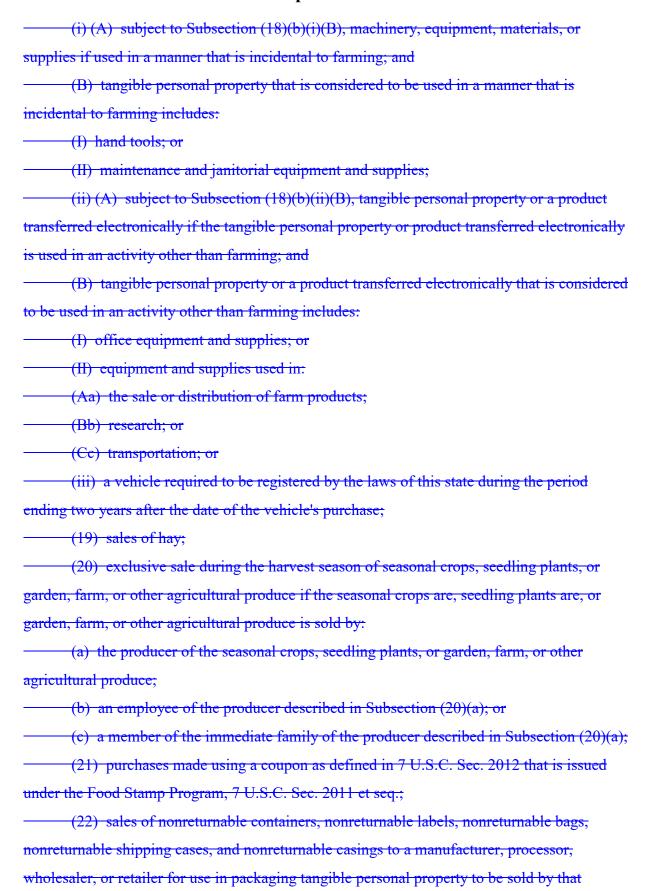


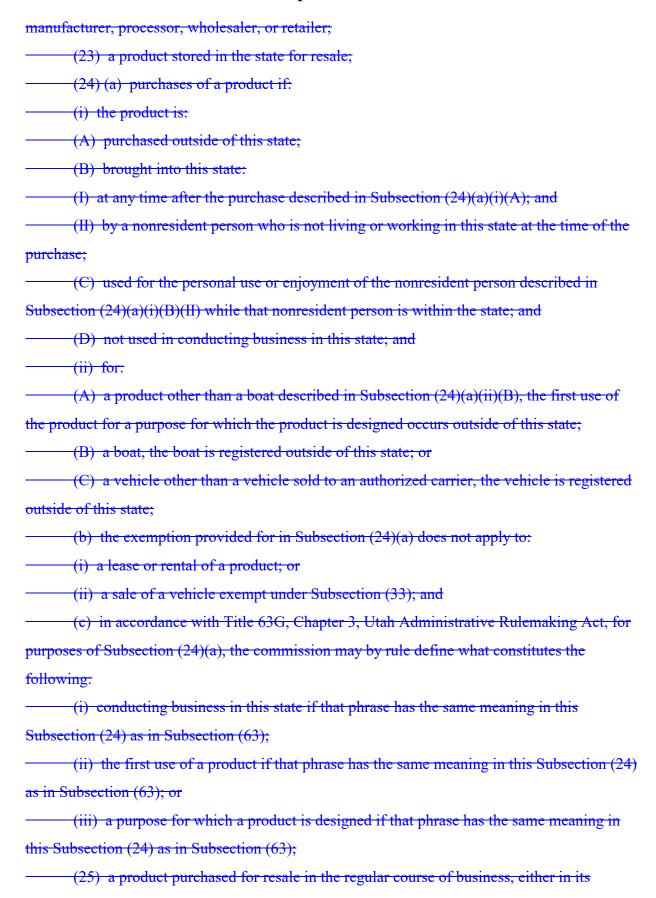
property or product transferred electronically; (ii) a sale of tangible personal property or a product transferred electronically is one of a series of sales of a character to indicate that a person is regularly engaged in the business of selling that type of tangible personal property or product transferred electronically; or (iii) a person holds that person out as regularly engaged in the business of selling a type of tangible personal property or product transferred electronically; (14) amounts paid or charged for a purchase or lease of machinery, equipment, normal operating repair or replacement parts, or materials, except for office equipment or office supplies, by: (a) a manufacturing facility that: (i) is located in the state; and (ii) uses or consumes the machinery, equipment, normal operating repair or replacement parts, or materials: (A) in the manufacturing process to manufacture an item sold as tangible personal property, as the commission may define that phrase in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act; or (B) for a scrap recycler, to process an item sold as tangible personal property, as the commission may define that phrase in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act; (b) an establishment, as the commission defines that term in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, that: (i) is described in NAICS Subsector 212, Mining (except Oil and Gas), or NAICS Code 213113, Support Activities for Coal Mining, 213114, Support Activities for Metal Mining, or 213115, Support Activities for Nonmetallic Minerals (except Fuels) Mining, of the 2002 North American Industry Classification System of the federal Executive Office of the President, Office of Management and Budget; (ii) is located in the state; and (iii) uses or consumes the machinery, equipment, normal operating repair or replacement parts, or materials in: (A) the production process to produce an item sold as tangible personal property, as the

commission may define that phrase in accordance with Title 63G, Chapter 3, Utah

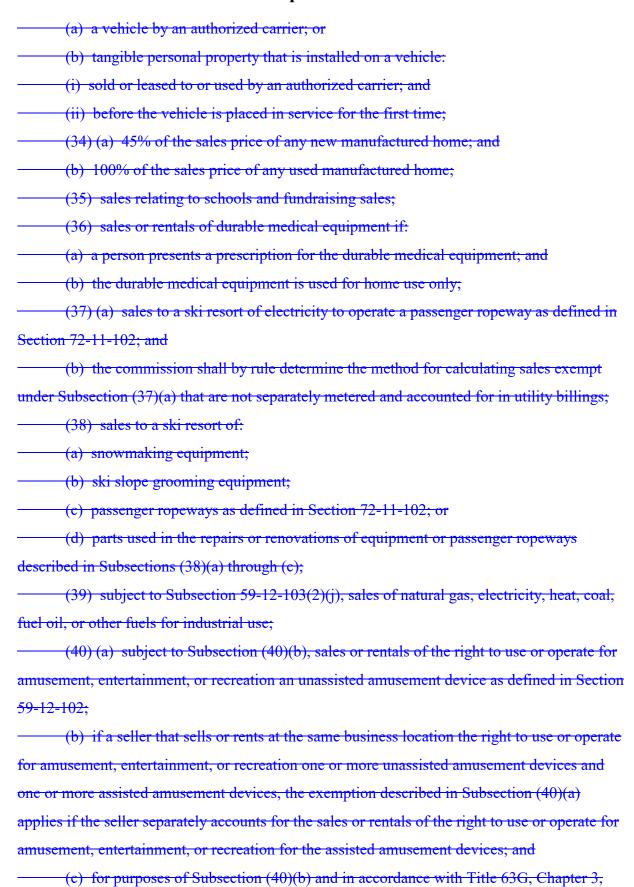
Administrative Rulemaking Act; (B) research and development, as the commission may define that phrase in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act; (C) transporting, storing, or managing tailings, overburden, or similar waste materials produced from mining; (D) developing or maintaining a road, tunnel, excavation, or similar feature used in mining; or (E) preventing, controlling, or reducing dust or other pollutants from mining; or (c) an establishment, as the commission defines that term in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, that: (i) is described in NAICS Code 518112, Web Search Portals, of the 2002 North American Industry Classification System of the federal Executive Office of the President, Office of Management and Budget; (ii) is located in the state; and (iii) uses or consumes the machinery, equipment, normal operating repair or replacement parts, or materials in the operation of the web search portal; (15) (a) sales of the following if the requirements of Subsection (15)(b) are met: (i) tooling; (ii) special tooling; (iii) support equipment; (iv) special test equipment; or (v) parts used in the repairs or renovations of tooling or equipment described in Subsections (15)(a)(i) through (iv); and (b) sales of tooling, equipment, or parts described in Subsection (15)(a) are exempt if: (i) the tooling, equipment, or parts are used or consumed exclusively in the performance of any aerospace or electronics industry contract with the United States government or any subcontract under that contract; and (ii) under the terms of the contract or subcontract described in Subsection (15)(b)(i), title to the tooling, equipment, or parts is vested in the United States government as evidenced by: (A) a government identification tag placed on the tooling, equipment, or parts; or

(B) listing on a government-approved property record if placing a government
identification tag on the tooling, equipment, or parts is impractical;
(16) sales of newspapers or newspaper subscriptions;
(17) (a) except as provided in Subsection (17)(b), tangible personal property or a
product transferred electronically traded in as full or part payment of the purchase price, except
that for purposes of calculating sales or use tax upon vehicles not sold by a vehicle dealer,
trade-ins are limited to other vehicles only, and the tax is based upon:
(i) the bill of sale or other written evidence of value of the vehicle being sold and the
vehicle being traded in; or
(ii) in the absence of a bill of sale or other written evidence of value, the then existing
fair market value of the vehicle being sold and the vehicle being traded in, as determined by the
commission; and
(b) Subsection (17)(a) does not apply to the following items of tangible personal
property or products transferred electronically traded in as full or part payment of the purchase
<del>price:</del>
<del>(i) money;</del>
(ii) electricity;
<del>(iii) water;</del>
(iv) gas; or
(v) steam;
(18) (a) (i) except as provided in Subsection (18)(b), sales of tangible personal property
or a product transferred electronically used or consumed primarily and directly in farming
operations, regardless of whether the tangible personal property or product transferred
electronically:
(A) becomes part of real estate; or
(B) is installed by a farmer, contractor, or subcontractor; or
(ii) sales of parts used in the repairs or renovations of tangible personal property or a
product transferred electronically if the tangible personal property or product transferred
electronically is exempt under Subsection (18)(a)(i); and
(b) amounts paid or charged for the following are subject to the taxes imposed by this
<del>chapter:</del>





original form or as an ingredient or component part of a manufactured or compounded product
(26) a product upon which a sales or use tax was paid to some other state, or one of its
subdivisions, except that the state shall be paid any difference between the tax paid and the tax
imposed by this part and Part 2, Local Sales and Use Tax Act, and no adjustment is allowed if
the tax paid was greater than the tax imposed by this part and Part 2, Local Sales and Use Tax
Act;
(27) any sale of a service described in Subsections 59-12-103(1)(b), (c), and (d) to a
person for use in compounding a service taxable under the subsections;
(28) purchases made in accordance with the special supplemental nutrition program for
women, infants, and children established in 42 U.S.C. Sec. 1786;
(29) sales or leases of rolls, rollers, refractory brick, electric motors, or other
replacement parts used in the furnaces, mills, or ovens of a steel mill described in SIC Code
3312 of the 1987 Standard Industrial Classification Manual of the federal Executive Office of
the President, Office of Management and Budget;
(30) sales of a boat of a type required to be registered under Title 73, Chapter 18, State
Boating Act, a boat trailer, or an outboard motor if the boat, boat trailer, or outboard motor is:
(a) not registered in this state; and
(b) (i) not used in this state; or
(ii) used in this state:
(A) if the boat, boat trailer, or outboard motor is not used to conduct business, for a
time period that does not exceed the longer of:
(I) 30 days in any calendar year; or
(II) the time period necessary to transport the boat, boat trailer, or outboard motor to
the borders of this state; or
(B) if the boat, boat trailer, or outboard motor is used to conduct business, for the time
period necessary to transport the boat, boat trailer, or outboard motor to the borders of this
state;
(31) sales of aircraft manufactured in Utah;
(32) amounts paid for the purchase of telecommunications service for purposes of
providing telecommunications service;
(33) sales, leases, or uses of the following:



Utah Administrative Rulemaking Act, the commission may make rules: (i) governing the circumstances under which sales are at the same business location; and (ii) establishing the procedures and requirements for a seller to separately account for the sales or rentals of the right to use or operate for amusement, entertainment, or recreation for assisted amusement devices; (41) (a) sales of photocopies by: (i) a governmental entity; or (ii) an entity within the state system of public education, including: (A) a school; or (B) the State Board of Education; or (b) sales of publications by a governmental entity; (42) amounts paid for admission to an athletic event at an institution of higher education that is subject to the provisions of Title IX of the Education Amendments of 1972, 20 U.S.C. Sec. 1681 et seq.; (43) (a) sales made to or by: (i) an area agency on aging; or (ii) a senior citizen center owned by a county, city, or town; or (b) sales made by a senior citizen center that contracts with an area agency on aging; (44) sales or leases of semiconductor fabricating, processing, research, or development materials regardless of whether the semiconductor fabricating, processing, research, or development materials: (a) actually come into contact with a semiconductor; or (b) ultimately become incorporated into real property; (45) an amount paid by or charged to a purchaser for accommodations and services described in Subsection 59-12-103(1)(i) to the extent the amount is exempt under Section <del>59-12-104.2;</del> (46) the lease or use of a vehicle issued a temporary sports event registration certificate in accordance with Section 41-3-306 for the event period specified on the temporary sports event registration certificate; (47) (a) sales or uses of electricity, if the sales or uses are made under a retail tariff

adopted by the Public Service Commission only for purchase of electricity produced from a new alternative energy source built after January 1, 2016, as designated in the tariff by the Public Service Commission; and (b) for a residential use customer only, the exemption under Subsection (47)(a) applies only to the portion of the tariff rate a customer pays under the tariff described in Subsection (47)(a) that exceeds the tariff rate under the tariff described in Subsection (47)(a) that the customer would have paid absent the tariff; (48) sales or rentals of mobility enhancing equipment if a person presents a prescription for the mobility enhancing equipment; (49) sales of water in a: (a) pipe; (b) conduit; (c) ditch; or (d) reservoir; (50) sales of currency or coins that constitute legal tender of a state, the United States, or a foreign nation; (51) (a) sales of an item described in Subsection (51)(b) if the item: (i) does not constitute legal tender of a state, the United States, or a foreign nation; and (ii) has a gold, silver, or platinum content of 50% or more; and (b) Subsection (51)(a) applies to a gold, silver, or platinum: (i) ingot; (ii) bar; (iii) medallion; or (iv) decorative coin; (52) amounts paid on a sale-leaseback transaction; (53) sales of a prosthetic device: (a) for use on or in a human; and (b) (i) for which a prescription is required; or

(ii) if the prosthetic device is purchased by a hospital or other medical facility;

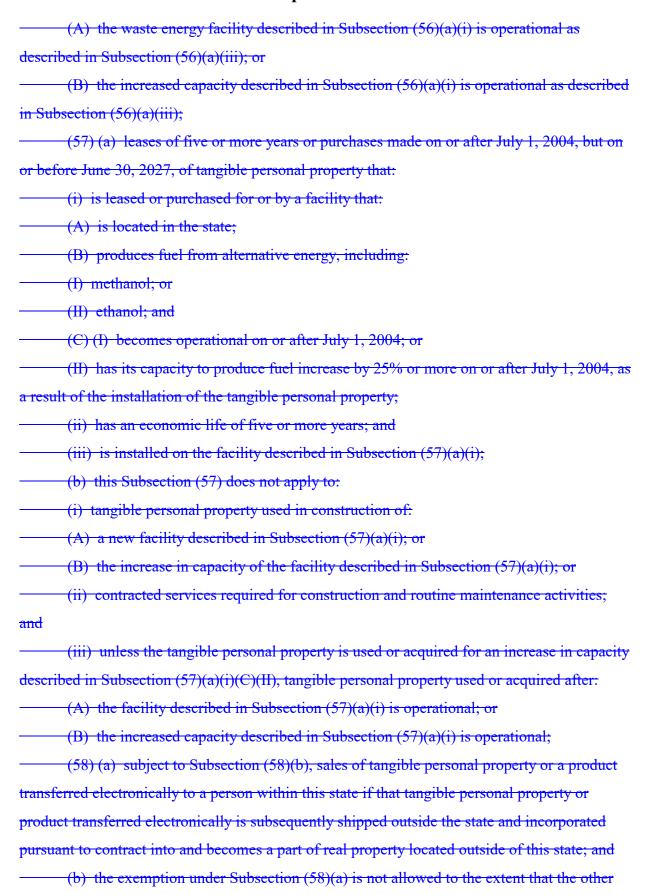
machinery or equipment by an establishment described in Subsection (54)(c) if the machinery

(54) (a) except as provided in Subsection (54)(b), purchases, leases, or rentals of

or equipment is primarily used in the production or postproduction of the following media for commercial distribution: (i) a motion picture; (ii) a television program; (iii) a movie made for television; (iv) a music video; (v) a commercial; (vi) a documentary; or (vii) a medium similar to Subsections (54)(a)(i) through (vi) as determined by the commission by administrative rule made in accordance with Subsection (54)(d); or (b) purchases, leases, or rentals of machinery or equipment by an establishment described in Subsection (54)(c) that is used for the production or postproduction of the following are subject to the taxes imposed by this chapter: (i) a live musical performance; (ii) a live news program; or (iii) a live sporting event; (c) the following establishments listed in the 1997 North American Industry Classification System of the federal Executive Office of the President, Office of Management and Budget, apply to Subsections (54)(a) and (b): (i) NAICS Code 512110; or (ii) NAICS Code 51219; and (d) in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the commission may by rule: (i) prescribe what constitutes a medium similar to Subsections (54)(a)(i) through (vi); or (ii) define: (A) "commercial distribution"; (B) "live musical performance"; (C) "live news program"; or (D) "live sporting event"; (55) (a) leases of seven or more years or purchases made on or after July 1, 2004, but

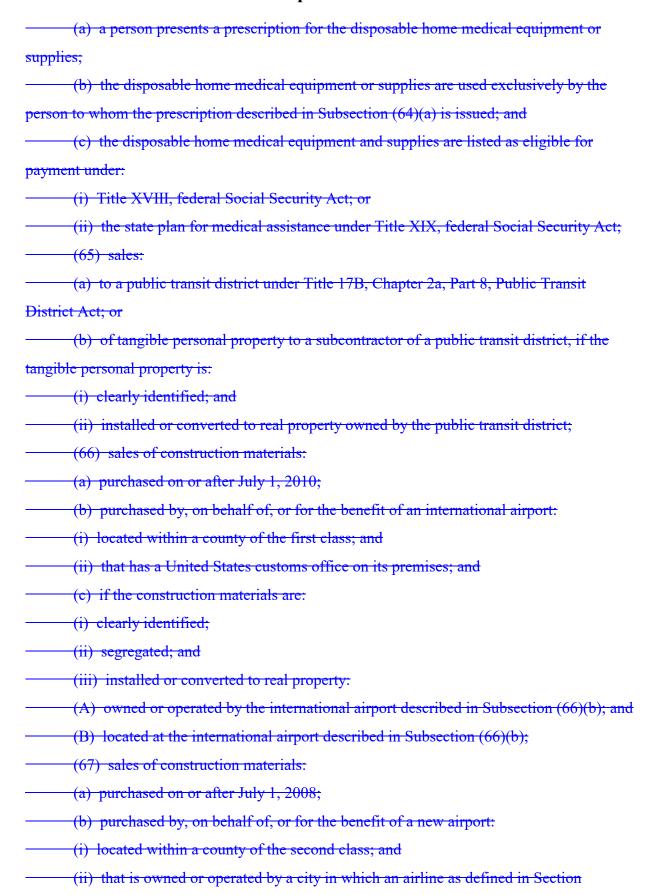
on or before June 30, 2027, of tangible personal property that:
(i) is leased or purchased for or by a facility that:
(A) is an alternative energy electricity production facility;
(B) is located in the state; and
(C) (I) becomes operational on or after July 1, 2004; or
(II) has its generation or storage capacity increased by one or more megawatts on or
after July 1, 2004, as a result of the use of the tangible personal property;
(ii) has an economic life of five or more years; and
(iii) is used to make the facility or the increase in capacity of the facility described in
Subsection (55)(a)(i) operational up to the point of interconnection with an existing
transmission grid including:
(A) a wind turbine;
(B) generating equipment;
(C) a control and monitoring system;
(D) a power line;
(E) substation equipment;
(F) lighting;
(G) fencing;
(II) pipes; [or]
(I) other equipment used for locating a power line or pole; or
(J) electricity storage equipment; and
(b) this Subsection (55) does not apply to:
(i) tangible personal property used in construction of:
(A) a new alternative energy electricity production facility; or
(B) the increase in the capacity of an alternative energy electricity production facility;
(ii) contracted services required for construction and routine maintenance activities;
<del>and</del>
(iii) unless the tangible personal property is used or acquired for an increase in capacit
of the facility described in Subsection (55)(a)(i)(C)(II), tangible personal property used or
acquired after:
(A) the alternative energy electricity production facility described in Subsection

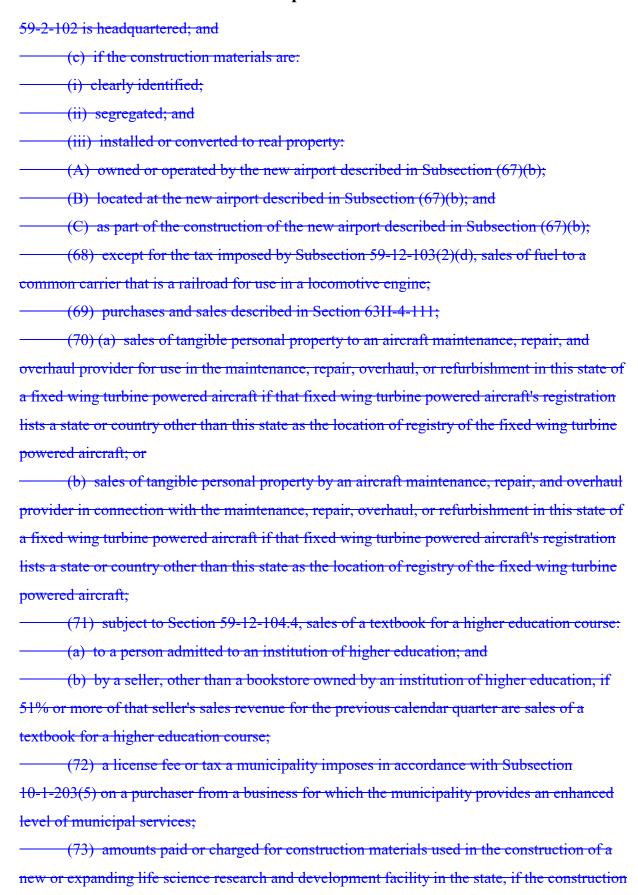
(55)(a)(i) is operational as described in Subsection (55)(a)(iii); or	
(B) the increased capacity described in Subsection (55)(a)(i) is operational as described in Subsection (55)(a)(i) is operational as described in Subsection (55)(a)(i) is operational as described in Subsection (55)(a)(ii) is operational as described in Subsection (55)(a)(iii) is operational as described in Subsection (55)(a)(iiii) is operational as described in Subsection (55)(a)(iiiiiiiiiiiiiiiiiiiiiiiiiiiiiiii	ribed
in Subsection (55)(a)(iii);	
(56) (a) leases of seven or more years or purchases made on or after July 1, 2004,	<del>but</del>
on or before June 30, 2027, of tangible personal property that:	
(i) is leased or purchased for or by a facility that:	
(A) is a waste energy production facility;	
(B) is located in the state; and	
(C) (I) becomes operational on or after July 1, 2004; or	
(II) has its generation capacity increased by one or more megawatts on or after Jul	<del>y 1,</del>
2004, as a result of the use of the tangible personal property;	
(ii) has an economic life of five or more years; and	
(iii) is used to make the facility or the increase in capacity of the facility described	<del>l in</del>
Subsection (56)(a)(i) operational up to the point of interconnection with an existing	
transmission grid including:	
(A) generating equipment;	
(B) a control and monitoring system;	
(C) a power line;	
(D) substation equipment;	
(E) lighting;	
<del>(F) fencing;</del>	
(G) pipes; or	
(II) other equipment used for locating a power line or pole; and	
(b) this Subsection (56) does not apply to:	
(i) tangible personal property used in construction of:	
(A) a new waste energy facility; or	
(B) the increase in the capacity of a waste energy facility;	
(ii) contracted services required for construction and routine maintenance activities	<del>s;</del>
<del>and</del>	
(iii) unless the tangible personal property is used or acquired for an increase in cap	<del>pacity</del>
described in Subsection (56)(a)(i)(C)(II), tangible personal property used or acquired after	<u>.</u>

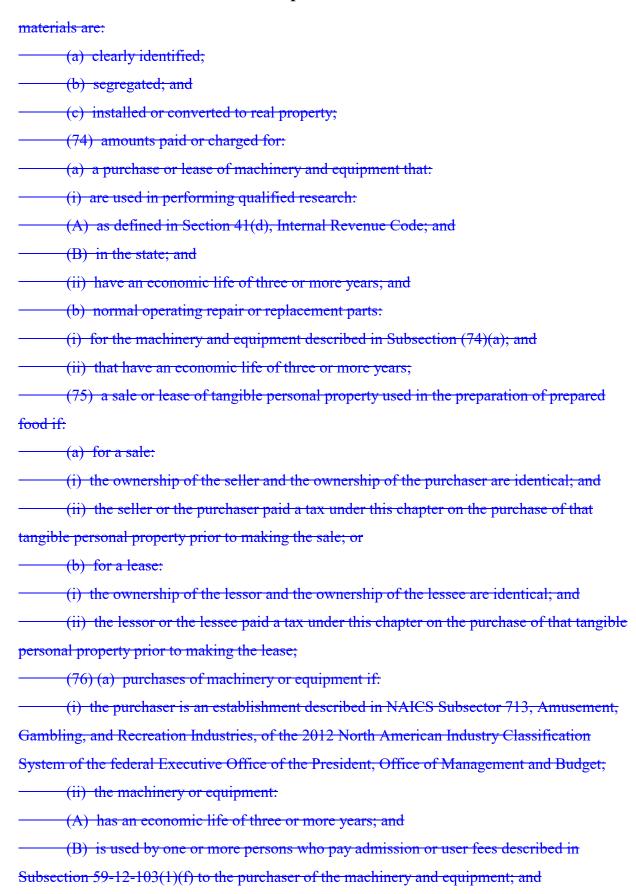


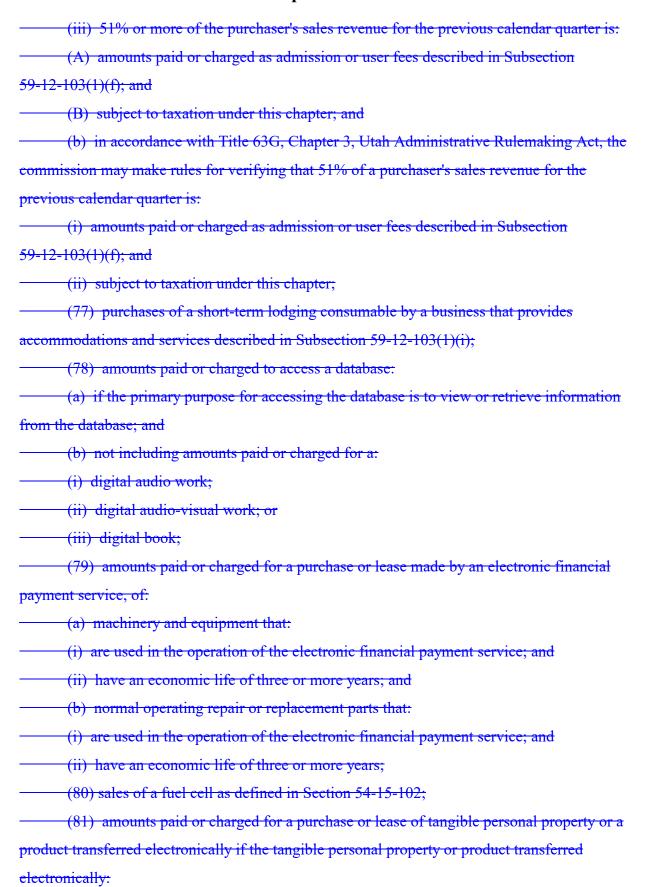
state or political entity to which the tangible personal property is shipped imposes a sales, use, gross receipts, or other similar transaction excise tax on the transaction against which the other state or political entity allows a credit for sales and use taxes imposed by this chapter; (59) purchases: (a) of one or more of the following items in printed or electronic format: (i) a list containing information that includes one or more: (A) names; or (B) addresses; or (ii) a database containing information that includes one or more: (A) names; or (B) addresses; and (b) used to send direct mail; (60) redemptions or repurchases of a product by a person if that product was: (a) delivered to a pawnbroker as part of a pawn transaction; and (b) redeemed or repurchased within the time period established in a written agreement between the person and the pawnbroker for redeeming or repurchasing the product; (61) (a) purchases or leases of an item described in Subsection (61)(b) if the item: (i) is purchased or leased by, or on behalf of, a telecommunications service provider; and (ii) has a useful economic life of one or more years; and (b) the following apply to Subsection (61)(a): (i) telecommunications enabling or facilitating equipment, machinery, or software; (ii) telecommunications equipment, machinery, or software required for 911 service; (iii) telecommunications maintenance or repair equipment, machinery, or software; (iv) telecommunications switching or routing equipment, machinery, or software; or (v) telecommunications transmission equipment, machinery, or software; (62) (a) beginning on July 1, 2006, and ending on June 30, 2027, purchases of tangible personal property or a product transferred electronically that are used in the research and development of alternative energy technology; and (b) in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the commission may, for purposes of Subsection (62)(a), make rules defining what constitutes

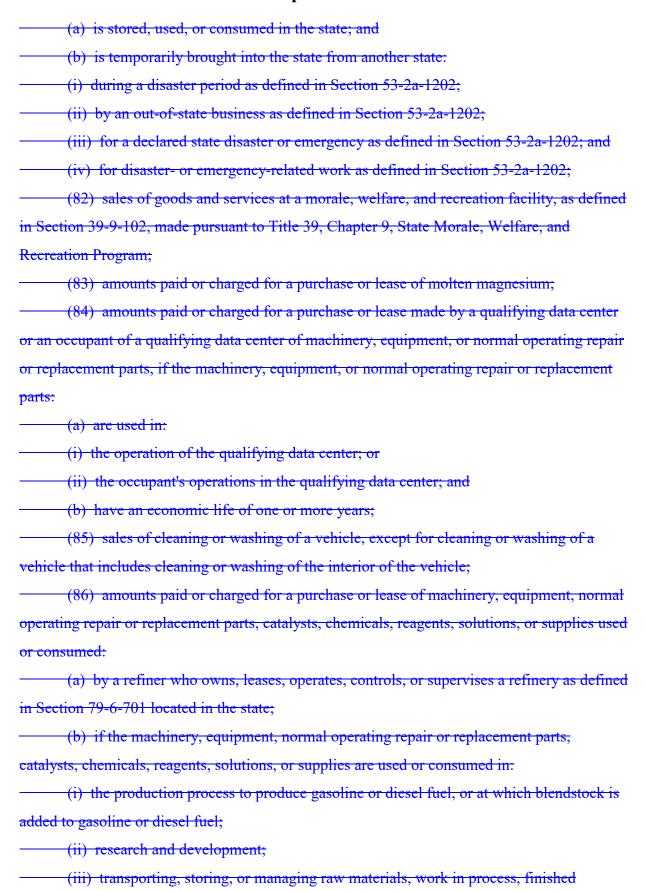
purchases of tangible personal property or a product transferred electronically that are used in the research and development of alternative energy technology; (63) (a) purchases of tangible personal property or a product transferred electronically if: (i) the tangible personal property or product transferred electronically is: (A) purchased outside of this state; (B) brought into this state at any time after the purchase described in Subsection (63)(a)(i)(A); and (C) used in conducting business in this state; and (ii) for: (A) tangible personal property or a product transferred electronically other than the tangible personal property described in Subsection (63)(a)(ii)(B), the first use of the property for a purpose for which the property is designed occurs outside of this state; or (B) a vehicle other than a vehicle sold to an authorized carrier, the vehicle is registered outside of this state and not required to be registered in this state under Section 41-1a-202 or 73-18-9 based on residency; (b) the exemption provided for in Subsection (63)(a) does not apply to: (i) a lease or rental of tangible personal property or a product transferred electronically; or (ii) a sale of a vehicle exempt under Subsection (33); and (c) in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, for purposes of Subsection (63)(a), the commission may by rule define what constitutes the following: (i) conducting business in this state if that phrase has the same meaning in this Subsection (63) as in Subsection (24); (ii) the first use of tangible personal property or a product transferred electronically if that phrase has the same meaning in this Subsection (63) as in Subsection (24); or (iii) a purpose for which tangible personal property or a product transferred electronically is designed if that phrase has the same meaning in this Subsection (63) as in Subsection (24); (64) sales of disposable home medical equipment or supplies if:











products, and waste materials produced from refining gasoline or diesel fuel, or adding blendstock to gasoline or diesel fuel; (iv) developing or maintaining a road, tunnel, excavation, or similar feature used in refining; or (v) preventing, controlling, or reducing pollutants from refining; and (c) if the person holds a valid refiner tax exemption certification as defined in Section <del>79-6-701;</del> (87) amounts paid to or charged by a proprietor for accommodations and services, as defined in Section 63H-1-205, if the proprietor is subject to the MIDA accommodations tax imposed under Section 63H-1-205; (88) amounts paid or charged for a purchase or lease of machinery, equipment, normal operating repair or replacement parts, or materials, except for office equipment or office supplies, by an establishment, as the commission defines that term in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, that: (a) is described in NAICS Code 621511, Medical Laboratories, of the 2017 North American Industry Classification System of the federal Executive Office of the President, Office of Management and Budget; (b) is located in this state; and (c) uses the machinery, equipment, normal operating repair or replacement parts, or materials in the operation of the establishment; [and] (89) amounts paid or charged for an item exempt under Section 59-12-104.10[.]; and (90) (a) leases of seven or more years or purchases made on or after July 1, 2022, but on or before June 30, 2040, of tangible personal property that: (i) is leased or purchased for or by a facility that is: (A) an electricity storage facility; (B) located in the state; and (C) (I) becomes operational on or after July 1, 2022; or (II) has the facility's storage capacity increased by one or more megawatts on or after July 1, 2022, as a result of the use of the tangible personal property; (ii) has an economic life of five or more years; and (iii) is used to make the facility or the increase in capacity of the facility described in

Subsection (90)(a)(i) operational up to the point of interconnection with an existing transmission grid or electricity storage equipment; and

- (b) this Subsection (90) does not apply to:
- (i) tangible personal property used in construction of:
  - (A) an electricity storage facility; or
  - (B) the increase in the capacity of an electricity storage facility;
- (ii) contracted services required for construction and routine maintenance activities; and
- (iii) unless the tangible personal property is used or acquired for an increase in capacity of the facility described in Subsection (90)(a)(i)(C)(II), tangible personal property used or acquired after:
- (A) the electricity storage facility described in Subsection (90)(a)(i) is operational as described in Subsection (90)(a)(iii); or
- (B) the increased capacity described in Subsection (90)(a)(i) is operational as described in Subsection (90)(a)(iii).
- Section 3. Section 63I-1-279 is amended to read:
- **→** 63I-1-279. Repeal dates, Title 79.
- (1) Subsection 79-2-201(2)(r), related to the Heritage Trees Advisory Committee, is repealed July 1, 2026.
- (2) Subsection 79-2-201(2)(s), related to the Recreational Trails Advisory Council, is repealed July 1, 2027.
- (3) Subsection 79-2-201(2)(t), related to the Boating Advisory Council, is repealed July 1, 2024.
- (4) Subsection 79-2-201(2)(u), related to the Wildlife Board Nominating Committee, is repealed July 1, 2023.
- (5) Subsection 79-2-201(2)(v), related to regional advisory councils for the Wildlife Board, is repealed July 1, 2023.
- (6) Title 79, Chapter 5, Part 2, Advisory Council, which creates the Recreational Trails Advisory Council, is repealed July 1, 2027.
  - (7) In relation to the Energy Storage Asset Pilot Grant Program, on July 1, 2025:
  - (a) in Subsection 79-6-401(5), the language that states "79-6-403," is repealed; and

(b) Section 79-6-403 is repealed.

Section  $\frac{4}{2}$ . Section **79-6-401** is amended to read:

# 79-6-401. Office of Energy Development -- Creation -- Director -- Purpose -- Rulemaking regarding confidential information -- Fees -- Transition for employees.

- (1) There is created an Office of Energy Development in the Department of Natural Resources.
- (2) (a) The energy advisor shall serve as the director of the office or, on or before June 30, 2029, appoint a director of the office.
  - (b) The director:
- (i) shall, if the energy advisor appoints a director under Subsection (2)(a), report to the energy advisor; and
  - (ii) may appoint staff as funding within existing budgets allows.
- (c) The office may consolidate energy staff and functions existing in the state energy program.
  - (3) The purposes of the office are to:
- (a) serve as the primary resource for advancing energy and mineral development in the state;
  - (b) implement:
  - (i) the state energy policy under Section 79-6-301; and
  - (ii) the governor's energy and mineral development goals and objectives;
- (c) advance energy education, outreach, and research, including the creation of elementary, higher education, and technical college energy education programs;
  - (d) promote energy and mineral development workforce initiatives; and
- (e) support collaborative research initiatives targeted at Utah-specific energy and mineral development.
- (4) By following the procedures and requirements of Title 63J, Chapter 5, Federal Funds Procedures Act, the office may:
  - (a) seek federal grants or loans;
  - (b) seek to participate in federal programs; and
- (c) in accordance with applicable federal program guidelines, administer federally funded state energy programs.

- (5) The office shall perform the duties required by Sections 11-42a-106, 59-5-102, 59-7-614.7, 59-10-1029, <u>79-6-403</u>, Part 5, Alternative Energy Development Tax Credit Act, and Part 6, High Cost Infrastructure Development Tax Credit Act.
- (6) (a) For purposes of administering this section, the office may make rules, by following Title 63G, Chapter 3, Utah Administrative Rulemaking Act, to maintain as confidential, and not as a public record, information that the office receives from any source.
- (b) The office shall maintain information the office receives from any source at the level of confidentiality assigned by the source.
- (7) The office may charge application, filing, and processing fees in amounts determined by the office in accordance with Section 63J-1-504 as dedicated credits for performing office duties described in this part.
  - (8) (a) An employee of the office is an at-will employee.
- (b) For an employee of the office on July 1, 2021, the employee shall have the same salary and benefit options the employee had when the office was part of the office of the governor.

Section  $\{5\}$ 3. Section 79-6-403 is enacted to read:

#### 79-6-403. Energy storage assets -- Pilot grant program.

- (1) As used in this section:
- (a) "Energy storage asset" means property that stores energy generated by mechanical, thermal, or photovoltaic means for use at a later time.
  - (b) "Office" means the Office of Energy Development created in Section 79-6-401.
- (c) "Pilot program" means the Energy Storage Asset Pilot Grant Program created in Subsection (2).
- (2) There is created the "Energy Storage Asset Pilot Grant Program" administered by the office.
- (3) Subject to legislative appropriations, the office may award a grant to an applicant to be used for the purchase of an energy storage asset.
- (4) The pilot program shall operate for three years, beginning on the first day of fiscal year 2023.
- (5) The office may not award a grant to an eligible applicant unless the applicant provides matching funds equal to the amount of the grant.

- (6) Consistent with this section and in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the office shall make rules establishing the eligibility and reporting criteria for an applicant to receive a grant under this part, including:
  - (a) the form and process of submitting a grant application to the office;
  - (b) who is eligible to apply for a grant;
  - (c) specific categories of energy storage assets that are eligible for a grant;
  - (d) the method and formula for determining grant amounts; and
  - (e) reporting requirements for grant recipients.
- (7) Receipt of a grant through the pilot program does not preclude a grant recipient from claiming a renewable energy system tax credit.
- (8) The office shall provide a report on the pilot program to the Natural Resources, Agriculture, and Environment Interim Committee and the Public Utilities, Energy, and Technology Interim Committee at or before the September interim meeting in 2024.

Section  $\frac{\{6\}}{4}$ . Appropriation.

Under the terms and conditions of Title 63J, Chapter 1, Budgetary Procedures Act, for the fiscal year beginning July 1, 2022, and ending June 30, 2023, the following sums of money are appropriated from resources not otherwise appropriated, or reduced from amounts previously appropriated, out of the funds or accounts indicated. These sums of money are in addition to any amounts previously appropriated for fiscal year 2023.

#### ITEM 1

To Office of Energy Development - Energy Storage Asset Pilot Grant Program

From General Fund, One-time

\$500,000

\$500,000

**Schedule of Programs:** 

Energy Storage Asset Pilot Grant Program

The Legislature intends that:

- (1) the Office of Energy Development expend appropriations under this section for the Energy Storage Asset Pilot Grant Program described in Section 79-6-403 in fiscal years 2023, 2024, and 2025;
- (2) under Section 63J-1-603, the appropriations provided under this section not lapse at the close of fiscal years 2023 and 2024; and
  - (3) the use of any nonlapsing funds is limited to the Energy Storage Asset Pilot Grant

Program described in Section 79-6-403.

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Section 7. Effective date.
(1) Except as provided in Subsection (2), this bill takes effect on May 4, 2022.
(2) The amendments to the following sections take effect on July 1, 2022:
(a) Section 59-12-102; and
(b) Section 59-12-104.
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